NATIONAL REGISTERED AGENTS, INC.

SERVICE OF PROCESS SUMMARY TRANSMITTAL FORM

To: BRADFORD WELLER, SECRETARY
KOFAX, INC.
15211 LAGUNA CANYON RD.
IRVINE, CA 92618

SOP Transmittal # **523996764**

617-757-6404 - Telephone

Entity Served: KOFAX IMAGE PRODUCTS, INC. (Former Name) (Domestic State: DELAWARE)

Enclosed herewith are legal documents received on behalf of the above captioned entity by National Registered Agents, Inc. or its Affiliate in the State of MASSACHUSETTS on this 03 day of December, 2013. The following is a summary of the document(s) received:

1. **Title of Action:** Pegasystems Inc., Pltf. vs. Grand Johnson, Kofax, Inc. & Kofax Image Products, Inc., Dfts.

2. **Document(s) Served:** SUMMONS & COMPLAINT
   Other: Summons/Proof of Service/Cover Sheet/Motion/Complaint/Exhibit(s)

3. **Court of Jurisdiction/Case Number:** Middlesex Superior Court, Middlesex County, MA
   Case # 135197

4. **Amount Claimed, if any:** N/A

5. **Method of Service:**

   _X_ Personally served by: _X_ Process Server   ___ Deputy Sheriff   ___ U. S Marshall

   ___ Delivered Via: ___ Certified Mail   ___ Regular Mail   ___ Facsimile

   ___ Other (Explain):

6. **Date and Time of Receipt:** 12/03/2013 01:45:00 PM CST

7. **Appearance/Answer Date:** Within 20 days after service of this summons upon you, exclusive of the day of service

8. **Received From:**   Steven D. Weatherhead
   Bello Welsh LLP
   125 Summer Street Suite 1200
   Boston, MA 02110
   617-247-4100

9. **Federal Express Airbill #** 797319868658

10. **Call Made to:** Not required

11. **Special Comments:**
SOP Papers with Transmittal, via Fed Ex 2 Day
Image SOP
Email Notification, BRADFORD WELLER BRAD.WELLER@KOFAX.COM

NATIONAL REGISTERED AGENTS, INC.   CopiesTo:

Transmitted by Dahrlena Mitchell

ORIGINAL

TO PLAINTIFF'S ATTORNEY: PLEASE CIRCLE TYPE OF ACTION INVOLVED: —
TORT — MOTOR VEHICLE TORT — CONTRACT —
EQUITABLE RELIEF — OTHER

COMMONWEALTH OF MASSACHUSETTS

SUPERIOR COURT
DEPARTMENT
OF THE
TRIAL COURT
CIVIL ACTION
No **13-5197**

............MIDDLESEX............ , ss

Pegasystems Inc. .... , Plaintiff(s)

v.

Grant Johnson, Kofax, Inc. &
......Kofax Image Products, Inc,.... , Defendant(s)

A True Copy Attest
CONSTABLE NOT APPLEBAUM

SUMMONS

To the above-named Defendant:

You are hereby summoned and required to serve upon ...Steven D. Weatherhead, Esq.............................
.... plaintiff's attorney, whose address is .Bello Welsh, LLP..................
...125 Summer Street, Suite 1200, Boston, MA 02110..............., an answer to the complaint which is herewith

served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you

fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You are also

required to file your answer to the complaint in the office of the Clerk of this court at .Middlesex Superior Court....

..200 TradeCenter, Woburn, MA 01801.................... either before service upon plaintiff's attorney or within a

reasonable time thereafter.

Unless otherwise provided by Rule 13(a), your answer must state as a counterclaim any claim which you may

have against the plaintiff which arises out of the transaction or occurrence that is the subject matter of the plaintiff's

claim or you will thereafter be barred from making such claim in any other action.

Witness, **Barbara J. Rouse**, Esquire, at ....Woburn..

the ....3rd............................ day of ....December..

......2013........., in the year of our Lord ....

....
Clerk

NOTES.
1. This summons is issued pursuant to Rule 4 of the Massachusetts Rules of Civil Procedure.
2. When more than one defendant is involved, the names of all such defendants should appear in the caption. If a separate summons is used
   for each defendant, each should be addressed to the particular defendant.

FORM NO. SUP. — 001

PROOF OF SERVICE OF PROCESS

I hereby certify and return that on ....
20............, I served a copy of the within summons, together with a copy of the complaint in this action,
upon the within-named defendant, in the following manner (See Mass. R. Civ. P. 4 (d) (1-5)):

....

....

....

....

Dated: ...., 20...........

N.B. TO PROCESS SERVER:
   **PLEASE PLACE DATE YOU MAKE SERVICE ON DEFENDANT IN THIS BOX
   ON THE ORIGINAL AND ON COPY SERVED ON DEFENDANT.**

(_____)

(...............*Dec   2*,20*13*)

(_____)

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX............, ss.

SUPERIOR COURT
DEPARTMENT
OF THE
TRIAL COURT
CIVIL ACTION
No. *13-5197*

Pegasystems Inc. ...., Plff.

v.

Grant Johnson, Kofax, Inc. & Kofax Image Products, Inc. ...., Deft.

SUMMONS
(Mass. R. Civ. P. 4)

CIVIL ACTION COVER SHEET	TRIAL COURT OF MASSACHUSETTS SUPERIOR COURT DEPARTMENT	DOCKET NO. *13-5197*
	COUNTY OF MIDDLESEX	

PLAINTIFF(S) Pegasystems Inc.	**DEFENDANT(S)** Grant Johnson, Kofax, Inc. & Kofax Image Products, Inc.

Type Plaintiff's Attorney name, Address, City/State/Zip Phone Number and BBO#	Type Defendant's Attorney Name, Address, City/State/Zip Phone Number (If Known)
Steven D. Weatherhead, BBO #637601 Bello Welsh, LLP 125 Summer Street, Suite 1200 Boston, MA 02110	

TYPE OF ACTION AND TRACK DESIGNATION (See reverse side)

CODE NO.	TYPE OF ACTION (specify)	TRACK	IS THIS A JURY CASE?
A01 Services Labor and Materials - Fast Track			[ ] Yes ⊙ [ ] No

The following is a full, itemized and detailed statement of the facts on which plaintiff relies to determine money damages. For this form, disregard double or treble damage claims; indicate single damages only.

TORT CLAIMS
(Attach additional sheets as necessary)

A. Documented medical expenses to date:
  1. Total hospital expenses $_____
  2. Total doctor expenses $_____
  3. Total chiropractic expenses $_____
  4. Total physical therapy expenses $_____
  5. Total other expenses (describe) $_____
                                                       Subtotal $_____
B. Documented lost wages and compensation to date $_____
C. Documented property damages to date $_____
D. Reasonably anticipated future medical expenses $_____
E. Reasonably anticipated lost wages and compensation to date $_____
F. Other documented items of damages (describe) $_____

G. Brief description of plaintiff's injury, including nature and extent of injury (describe)

                                                       Total $_____

CONTRACT CLAIMS
(Attach additional sheets as necessary)

Provide a detailed description of claim(s):

Defendant Johnson breached several covenants contained in an agreement with the Plaintiff, his former employer. Defendants Kofax, Inc. & Kofax Image Products, Inc. have tortiously interfered with that agreement.	**TOTAL** $.T.B.D.

PLEASE IDENTIFY, BY CASE NUMBER, NAME AND COUNTY, ANY RELATED ACTION PENDING IN THE SUPERIOR COURT DEPARTMENT

None.

"I hereby certify that I have complied with the requirements of Rule 5 of the Supreme Judicial Court Uniform Rules on Dispute Resolution (SJC Rule 1:18) requiring that I provide my clients with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various methods."

Signature of Attorney of Record _____   Date: December 3, 2013

A.O.S.C. 3-2007

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, ss.

**SUPERIOR COURT DEPARTMENT
OF THE TRIAL COURT**

PEGASYSTEMS INC.,	)
	)
Plaintiff,	)
	)
v.	) Civil Action No. **13-5197**
	)
GRANT JOHNSON, KOFAX, INC. &	)
KOFAX IMAGE PRODUCTS, INC.,	)
	)
Defendants.	)

FILED
IN THE OFFICE OF THE
CLERK OF COURTS
FOR THE COUNTY OF MIDDLESEX
DEC 03 2013

CLERK

PLAINTIFF PEGASYSTEMS INC.'S
MOTION TO APPOINT SPECIAL PROCESS SERVER

Pursuant to Mass. R. Civ. P. 4(c), Plaintiff Pegasystems Inc. hereby moves this

Honorable Court to appoint the following entities (or its employees or agents) as special process

server to serve the Summonses, Complaint and such other process as may be necessary to serve

in the above-captioned matter:

For Service on Defendants Kofax, Inc. and Kofax Image Products, Inc.

> Roz Applebaum
> Applebaum & Applebaum Constables
> P.O. Box 213
> Randolph, MA 02368-0213

For Service on Defendant Grant Johnson

> ACE Messenger and Attorney Service, Inc.
> 310 West 3rd Street
> Artists Village
> Santa Ana, CA 92701
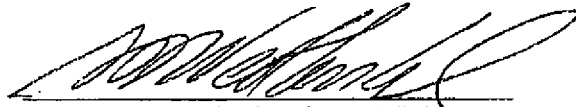
12/3/13   Motion Allowed

Attest: Deputy Assistant Clerk

Henry

This request is made to effect speedy service of process and to save time and expense. The undersigned swears that, to the best of his knowledge and belief, the person to be appointed is 18 years of age or older, is experienced in the service of process and is not a party to this action.

Respectfully submitted,

PEGASYSTEMS INC.,

By its attorney,

Steven D. Weatherhead, BBO# 637601
Alexandra D. Thaler, BBO# 677785
Bello Welsh LLP
125 Summer Street, Suite 1200
Boston, Massachusetts 02110
Tel: (617) 247-4100
Fax: (617) 247-4125
sweatherhead@bellowelsh.com

Dated: December 3, 2013

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COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, ss.

SUPERIOR COURT DEPARTMENT OF THE TRIAL COURT

)
PEGASYSTEMS INC.,   )
)
   Plaintiff,   )
)
v.   )   Civil Action No. 13-_5197_
)
GRANT JOHNSON, KOFAX, INC. &   )
KOFAX IMAGE PRODUCTS, INC.,   )
)
)
   Defendants.   )
)

COMPLAINT

INTRODUCTION

1.   By this Complaint, Plaintiff Pegasystems Inc. ("Pegasystems" or the "Company") seeks damages and other relief against Defendant Grant Johnson ("Johnson"), its former Chief Marketing Officer, for breaching various covenants in his written agreement with Pegasystems.

2.   As Pegasystems' Chief Marketing Officer, Johnson was responsible for (among other things) global marketing, strategy and operations. He reported directly to Alan Trefler, the Company's founder, Chief Executive Officer and Chairman of the Board. He also was one of approximately eight employees who served on the Company's Functional Leadership Team reporting to Mr. Trefler. As such, Johnson occupied a position of the highest level of trust and confidence at Pegasystems.

3.   During his employment with Pegasystems, Johnson had extensive contact with various employees of Pegasystems, and he was privy to confidential information about

Pegasystems' business, customers and employees, including its long range marketing and strategic plans.

4.   As more fully set forth below, Johnson recently commenced employment as the Kofax, a direct competitor of Pegasystems. Pegasystems brings this action because such employment directly breaches the non-competition covenant in Johnson's agreement with Pegasystems.

5.   Johnson also breached his contractual obligations to return Pegasystems confidential and other information and property upon his termination. Further, both during and after his employment with Pegasystems he solicited at least one Pegasystems' employee to leave Pegasystems, both in breach of his contract and his fiduciary duties.

6.   Given his blatant, demonstrated inability and/or unwillingness to honor his contractual obligations and Pegasystems' legal rights, coupled with the fact that Johnson has similar roles and responsibilities at Kofax, it is inevitable that Johnson will disclose Pegasystems' confidential and proprietary business information during the course of performing his duties at Kofax and otherwise continue breaching his post-employment contractual obligations, including his covenant of employee non-solicitation.

7.   Pegasystems also seeks damages and other relief against Kofax, for tortiously interfering with Johnson's contract with Pegasystems.

PARTIES, JURISDICTION AND VENUE

8.   Plaintiff Pegasystems is a Massachusetts corporation, with its corporate headquarters located at 1 Rogers Street, Cambridge, MA 02142, in Middlesex County.

9.   Defendant Grant Johnson is an individual who, upon information and belief, currently resides in Ladera Ranch, Orange County, California.

10.   Defendants Kofax, Inc. and Kofax Image Products, Inc. are Delaware

corporations with their corporate headquarters located at 15211 Laguna Canyon Road, Irvine,

California 92618. Both are subsidiaries of Kofax plc, a company that trades on the London

Stock Exchange. In his current role as Kofax's Chief Marketing Officer, Johnson is responsible

for all corporate communications, field marketing, product marketing and marketing for Kofax

plc and all of its subsidiaries, including Kofax, Inc. and Kofax Image Products, Inc. (collectively,

"Kofax").

11.   This Court has jurisdiction over Johnson because he owns real property in

Wellesley, Massachusetts, and because he lived and worked in Massachusetts while employed at

Pegasystems and at the time he voluntarily resigned from Pegasystems.

12.   This Court has jurisdiction over Kofax because it has registered to do business in

the Commonwealth of Massachusetts with the Commonwealth's Secretary of State's office and

because it maintains a facility in Bedford, Massachusetts.

13.   Venue in this Court is proper under M.G.L. c. 223, § 1 because Pegasystems

maintains a principal place of business in Middlesex County.

FACTUAL BACKGROUND

Johnson's Employment with Pegasystems

14.   On or around November 4, 2009, Johnson accepted employment with

Pegasystems as Chief Marketing Officer, reporting directly to Alan Trefler, the Company's

founder, Chief Executive Officer and Chairman of the Board.

15.   In addition to a starting base salary of $250,000, Johnson was eligible for an

annual bonus of up to 50% of his base salary (or $125,000). Johnson also was eligible to

participate in Pegasystems' various benefit plans and programs, including medical and dental

insurance, 401(k), medical and dependent care reimbursement, short-term disability, long-term disability and life insurance. He also received 20 days of paid time off annually.

16.   Unlike most employees of Pegasystems, Johnson also received a $150,000 signing bonus. Pegasystems also incurred almost $16,000 in expenses to relocate Johnson and his family to Massachusetts. In addition to an initial grant of equity valued at $350,000, throughout his employment with Pegasystems he received additional equity grants worth over $100,000.

17.   As Pegasystems' Chief Marketing Officer, Johnson had overall responsibility for the Company's entire marketing function on a global basis. At the time of his voluntary resignation, he had overall responsibility for over 70 employees and an annual budget in excess of $22,000,000. In 2012, the last full calendar year in which Johnson was employed by Pegasystems, he earned approximately a half of a million dollars in cash compensation.

18.   Johnson also was a member of the Company's Functional Leadership Team, a group of approximately eight employees reporting to Mr. Trefler that frequently met to discuss high-level Company strategy, objectives and operations. As such, he was privy to a wealth of confidential information about Pegasystems' business, customers and employees, as well as its long range strategic plans.

19.   Other members of Pegasystems' Functional Leadership Team generally included the Chief Financial Officer, the Senior Vice President of Corporate Development, the Senior Vice President of Pega Consulting, the Senior Vice President of Human Resources, the Senior Vice President of Global Sales, the Senior Vice President of Engineering, and the Senior Vice President, Business Unit Management.

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20.   While working at Pegasystems, Johnson wrote an "e-book" entitled *Top 10 Strategies for Marketing Success: The CMO's Call to Action* (the "Pegasystems E-Book," a true and accurate copy of this e-book is attached as *Exhibit A*). Johnson developed this Pegasystems E-Book in conjunction with his role as Pegasystems' Chief Marketing Officer, using Pegasystems' resources and while on Pegasystems' time.

21.   The Pegasystems E-Book contains a prominent copyright notice indicating that the work was created in 2013 and was copyrighted by Pegasystems. That notice also states "All rights reserved." *Exh. A*, at p. 28.

Johnson's Restrictive Covenants

22.   In express consideration of his employment with Pegasystems, on or about November 4, 2009, Johnson executed an agreement containing various obligations, including covenants of non-competition and non-solicitation (the "Standards Agreement," a true and accurate copy of which is attached hereto as *Exhibit B*). Johnson signed the Standards Agreement prior to commencing employment on November 18, 2009.

23.   Specifically, Johnson agreed to the following covenant of non-competition:

> While working for Pegasystems and for twelve (12) months after that, you cannot accept employment with, acquire an ownership interest in, act as an independent contractor or consultant for, or otherwise advise or assist any Competitor (as defined below). This restriction applies to those countries in which Pegasystems has a business interest, such as an office or customer.

Exh. B, at p. 3.

24.   The Standards Agreement defines "Competitor" to mean:

> (i) any person or entity that derives a significant portion of its revenues from Pegasystems' Business or any substantially similar business; or (ii) within an entity that contains multiple operating divisions or subsidiaries, any operating division or subsidiary that derives a significant portion of its revenues from Pegasystems' Business or any substantially similar

business. If an entity contains one operating division or subsidiary that is a Competitor, but also contains other operating divisions or subsidiaries that are not a Competitor, you are not prevented from having the types of relationships described in the paragraph above with the non-Competitor divisions or subsidiaries.

Exh. B, at p. 3.

25. The Standards Agreement defines "Pegasystems' Business" as follows:

Founded in 1983, Pegasystems established itself as a pioneer in rules technology for business, and today delivers mission-critical, rules-based business process management (BPM) software applications to blue-chip customers around the world. Our software currently comprises a patented business rules engine with BPM technology – what we call 'Simply Smart BPM' – which allows companies to automate and manage customer service and transactions through multiple channels of interaction, including traditional call centers and Internet self-service. We also offer frameworks that utilize our BPM technology to create customized applications for particular industries or types of interactions. We then provide professional services and maintenance services relating to these products to ensure that our customers achieve meaningful value.

Exh. B, at p. 1.

26. Johnson also agreed to the following covenant of non-solicitation:

While working for Pegasystems and for twelve (12) months after that, you cannot, except on Pegasystems' behalf, directly or indirectly solicit any of Pegasystems' employees, or any persons that were Pegasystems' employees within the preceding six month period, to leave us, or hire any of such persons.

Exh. B, at p. 3.

27. Johnson expressly agreed that both the non-competition covenant and the non-solicitation covenant are "reasonable as to time and scope." *Id.*

28. Johnson also agreed that any works of authorship and other intellectual property created by him while working at Pegasystems ("Developments") would be owned by Pegasystems, without further compensation to Johnson. By the express terms of the Standards

Agreement, Johnson's signature thereon constituted an assignment to Pegasystems of any works of authorship created by him during his employment with Pegasystems. *Exh. B*, at pp. 1-2.

29.   Johnson also contractually agreed that, upon termination of his employment with Pegasystems, he would return to Pegasystems "all records, papers, disks, software, notebooks, files, and other documents pertaining to Pegasystems' products, customers, Developments, or other Confidential Information." *Exh. B*, at p 2.

30.   The Standards Agreement provides that it shall be governed by Massachusetts law. *Exh. B*, at p. 4.

31.   The following clause also appears in the Standards Agreement: "If we fail to enforce any of our rights on a particular instance, you cannot consider that failure to be a waiver of any other rights." *Exh. B*, at p. 4.

32.   Johnson signed the Standards Agreement on or about November 4, 2009. The following clause appears immediately above his signature:

> I acknowledge that I have read this letter in its entirety, understand each of its provisions, and agree to be bound by its terms and conditions. I also acknowledge that Pegasystems has relied on my assent to the terms of this letter in offering me employment. Finally, I understand that certain of Pegasystems' and my rights and obligations survive the termination of my employment.

Id.

Johnson Breaches His Employee Non-Solicitation Covenant

33.   On or about April 1, 2013, Johnson announced that he was voluntarily resigning from Pegasystems to accept employment at SDL, an entity that does not compete with Pegasystems. Only two weeks later, on or about April 15, 2013, Jeff Clark, Pegasystems' Director of Corporate Marketing -- who reported directly to Johnson -- announced his intention

to resign from Pegasystems to work for SDL, where he would again report directly to Johnson as Vice President of Global Marketing.

34. Upon information and belief, Johnson and Clark did not know each other or otherwise have a relationship prior to Johnson's commencement of employment at Pegasystems.

35. By letter dated April 22, 2013, Pegasystems reminded Johnson about his contractual obligations to Pegasystems. Pegasystems also requested that Johnson provide more information regarding Clark's resignation from Pegasystems and his employment with SDL. (A true and accurate copy of this letter is attached hereto as *Exhibit C.*)

36. Johnson responded by letter dated April 23, 2013, denying that he violated his employee non-solicitation obligation and affirming his understanding that he "was (and am) obligated not to hire or solicit anyone from Pegasystems per the subject Standards Letter." A true and accurate copy of this letter is attached hereto as *Exhibit D*.

37. In addition to reaffirming his contractual obligations under the Standards Agreement, Johnson also represented in this letter that he had "not violated any provisions of the subject Standards Letter" and would "continue to comply with its terms." Id.

38. Also on April 23, 2013, SDL issued a press release to announce its hiring of Johnson as its Chief Marketing Officer.

39. Notwithstanding Johnson's representation that Clark approached him about SDL after Johnson's April 9, 2013 announcement, as early as January of 2013 Johnson and Clark discussed certain aspects of SDL's marketing efforts, including its website, and ways such efforts could be improved.

40. In addition, on March 26, 2013 -- *before* Johnson formally announced his resignation from Pegasystems' Marketing Team to join SDL -- Clark emailed Johnson (to

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Johnson's Pegasystems email account) about SDL and to express his opinion that SDL needed a "mobile friendly version" of certain of its marketing collateral. Johnson responded with two words – "Use grantejohnson1@gmail.com." In other words, Johnson directed Clark -- who reported directly to him at Pegasystems -- to stop using the Pegasystems corporate e-mail account and server and instead begin communicating with him via his personal email account. Upon information and belief, Johnson's routine practice previously was to communicate with Clark via their respective Pegasystems' email addresses. (A true and accurate copy of this email exchange is attached hereto as *Exhibit E*.)

41. Based on Johnson's representations and the fact that Pegasystems would have been facing its largest marketing event of the year ("PegaWORLD") with limited marketing leadership, and only after several discussions with both Johnson and SDL, Pegasystems agreed to waive any claims against SDL and Johnson relating to the solicitation of Clark. In exchange, Clark agreed to stay with Pegasystems through the completion of the PegaWORLD conference. (A true and accurate copy of this waiver is attached hereto as *Exhibit F*.)

Johnson Breaches His Return of Company Property and Developments Assignment Covenants

42. While reviewing and considering Johnson's solicitation of Clark, Pegasystems discovered that Johnson routinely backed up the data from his Pegasystems-issued computer onto an external, portable hard drive.

43. By letter dated May 16, 2013, Pegasystems questioned Johnson about the portable hard drive and the Pegasystems information contained on it. (A true and accurate copy of this letter is attached hereto as *Exhibit G*.)

44. In a letter dated May 24, 2013, Johnson reiterated that he would continue to comply with the Standards Agreement. He also admitted that he routinely backed up documents

on a "portable drive," but rather than returning to Pegasystems the data on that drive as required

by the Standards Agreement he instead "deleted this info in its entirety by reformatting the

drive." (A true and accurate copy of Johnson's letter is attached hereto as *Exhibit H.*)

47. 45. Moreover, while working at SDL, Johnson republished and/or permitted the

republishing of the content of the Pegasystems E-Book (the "SDL E-Book," a true and accurate

copy of which is attached hereto as *Exhibit I*). Johnson's photograph, certain biographical

information, fonts and colors were changed, and the Pegasystems copyright notice was stripped

from the Pegasystems E-Book.

46. SDL offers the SDL-Book for download on its website. See *Exhibit J.*

Johnson Breaches His Non-Competition Covenant

47. On or about October 22, 2013, Johnson commenced employment with Kofax as

its Chief Marketing Officer. In a September 17, 2013 agreement signed with Kofax, Johnson

represented that he was "ready, able and willing to perform the essential duties and functions" of

Chief Marketing Officer for Kofax.

48. Johnson reports directly to Kofax's Chief Executive Officer, Reynolds Bish, and

is a member of Kofax's executive management team. All of Kofax's corporate communications,

field marketing, product marketing, marketing operations and related global employees

throughout the world report to Johnson.

49. There is no doubt that Pegasystems and Kofax are direct competitors. Like

Pegasystems, Kofax markets and sells business process management (BPM) software

applications.

50. Indeed, in several filings with the United States Securities and Exchange

Commission, Kofax expressly lists Pegasystems as one of its competitors in the capture, BPM

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and smart process applications markets. Moreover, at least two independent research and advisory firms -- Forrester Research and Gartner -- recently have recognized that Pegasystems and Kofax compete in the BPM space.

51.   In a September 4, 2013 conference call with investors, Bish declared that Kofax's competing BPM business constitutes about 15% of Kofax's annual revenues of approximately $266 million.

52.   In that same call, Bish also stated that the BPM side of its business grew by over 30% in the last year and is experiencing "much, much faster growth" than other aspects of its non-competing business. He further averred that the BPM part of the business is expected to "become an increasing percentage of [Kofax's] overall revenue."

53.   In a press release issued by Kofax on October 22, 2013, announcing Johnson's appointment as Chief Marketing Officer at Kofax, Bish as much as acknowledges that Johnson's Pegasystems experience was instrumental in Johnson's Kofax appointment:

> Grant brings extensive and very relevant global senior management and enterprise software marketing experience to Kofax. This includes time spent in the business process, enterprise content and customer relationship management markets where he's had an impressive track record of effecting positive change and delivering results in a number of companies. He's a great addition to our executive management team and will be instrumental in helping to drive our revenue growth strategies.

Johnson, himself, is quoted as stating that he will be working to "achieve Kofax's revenue growth objectives," in his new role at Pegasystems' competitor.

54.   Just weeks after joining Kofax, on November 4, 2013, Johnson again is quoted in a press release touting new features of Kofax's competing BPM product, Total Agility: "These two powerful solutions give our customers an incredibly valuable set of tools to help them

increase productivity, streamline operations and reduce costs," stated Johnson of these BPM

enhancements to Kofax's competitive technology.

55.   In a November 5, 2013 conference call with investors, Bish said the following

regarding Kofax's hire of Johnson:

> Well, certainly [Johnson] brings some very relevant experience to the
> company . . . for a period of about three years he was chief marketing
> officer at Pega Systems and as you well know, Pega is a very large
> participant in the business process management and CRM marketplace so
> he gained even more relevant experience there.

56.   Based on Bish's statements, Johnson's statements, and upon information and

belief, Kofax hired Johnson to improperly gain access to Pegasystems' confidential information

and give Kofax an unfair competitive advantage in the marketplace.

COUNT I - BREACH OF CONTRACT
(Standards Agreement – Non-Competition Covenant)
Against Defendant Grant Johnson

57.   Pegasystems repeats and incorporates by reference the allegations contained in

Paragraphs 1 through 56 of this Complaint.

58.   Pegasystems has performed all of its obligations to Johnson in connection with

the Standards Agreement.

59.   By engaging in the conduct described above, including, without limitation,

accepting employment as Chief Marketing Officer with a Pegasystems competitor within one

year of his voluntary resignation from Pegasystems, Johnson has breached his covenant of non-

competition.

60.   As a result of Johnson's breach, Pegasystems has suffered and continues to suffer

damages.

COUNT II - BREACH OF CONTRACT
(Standards Agreement – Return of Company Property Covenant)
Against Defendant Grant Johnson

61.   Pegasystems repeats and incorporates by reference the allegations contained in Paragraphs 1 through 60 of this Complaint.

62.   Pegasystems has performed all of its obligations to Johnson in connection with the Standards Agreement.

63.   By engaging in the conduct described above, including, without limitation, deleting Pegasystems' information from his portable hard drive instead of returning it to Pegasystems and failing to return the Pegasystems E-Book, Johnson breached his contractual obligation to return all Pegasystems information, data and Developments in his possession upon his termination.

64.   As a result of Johnson's breach, Pegasystems has suffered and continues to suffer damages.

COUNT III - BREACH OF CONTRACT
(Standards Agreement – Developments Assignment Covenant)
Against Defendant Grant Johnson

65.   Pegasystems repeats and incorporates by reference the allegations contained in Paragraphs 1 through 64 of this Complaint.

66.   Pegasystems has performed all of its obligations to Johnson in connection with the Standards Agreement.

67.   By engaging in the conduct described above, including, without limitation, providing the copyrighted Pegasystems' E-Book to his subsequent employer and impermissibly republishing it, Johnson has breached the "works of authorship" assignment clause of the Standards Agreement.

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68.   As a result of Johnson's breach, Pegasystems has suffered and continues to suffer damages.

COUNT IV – TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS
Against Defendants Kofax, Inc. and Kofax Image Products, Inc.

69.   Pegasystems repeats and incorporates by reference the allegations contained in Paragraphs 1 through 68 of this Complaint.

70.   Pegasystems has a valid, contractual relationship with Johnson, a contractual relationship of which Kofax knew or should have known, and with which Kofax interfered by engaging in the conduct described above.

71   By permitting and/or encouraging Johnson to breach his non-competition covenant with Pegasystems, Kofax induced Johnson's breach and acted without justification.

72.   Kofax has acted with improper purpose and/or improper means, including but not limited to, on information and belief, by encouraging Johnson to ignore, and facilitating the disregard of, his non-competition covenant and by hiring Johnson to gain access to Pegasystems' confidential information and thereby give Kofax an unfair competitive advantage in the marketplace.

73.   As a result of Kofax's wrongful actions, Pegasystems has suffered and continues to suffer damages.

PRAYER FOR RELIEF

WHEREFORE, Pegasystems respectfully requests that this Court:

(1)   Enter judgment in Pegasystems' favor on Counts I, II, III and IV of this Complaint;

(2)   Enter a preliminary and permanent injunction against Johnson, enjoining him from (i) working or otherwise providing services to Kofax in any capacity for a period of twelve (12) months following entry of the Order and (ii) breaching any
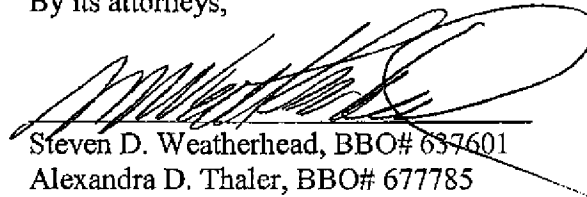
other obligations set forth in the Standards Agreement, including but not limited to the solicitation of Pegasystems' employees and customers;

(3)   Award Pegasystems compensatory damages including, but not limited to, lost profits and other damages resulting from Johnson's breaches of contract and Kofax's unlawful actions;

(5)   Award Pegasystems its costs and attorneys' fees incurred in this action; and

(6)   Order such other relief as is fair and just.

Respectfully submitted,

PEGASYSTEMS INC.

By its attorneys,

Steven D. Weatherhead, BBO# 637601
Alexandra D. Thaler, BBO# 677785
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December 3, 2013

TOP **10**
STRATEGIES FOR MARKETING SUCCESS
THE CMO'S CALL TO ACTION
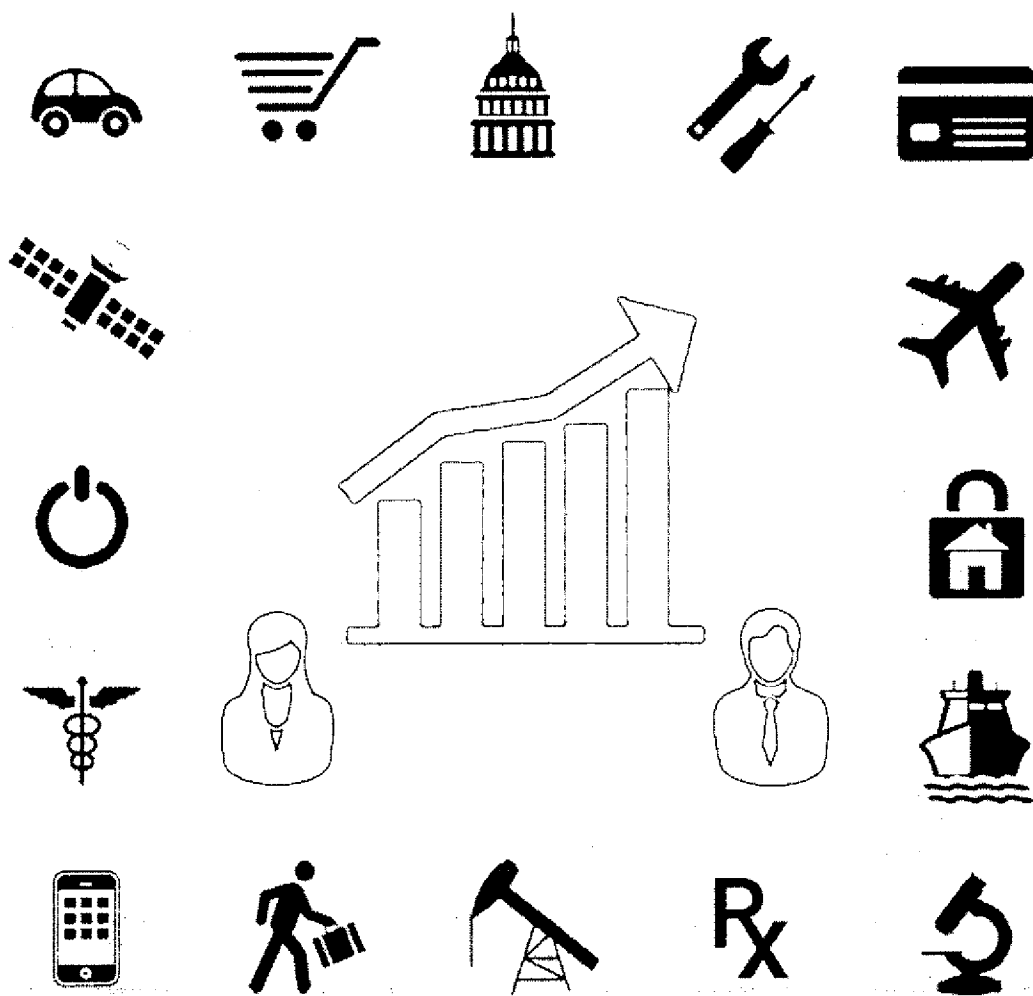
Pega

Grant Johnson
Chief Marketing Officer
Pegasystems

An innovative marketing executive with a proven track record building profitable businesses on a global basis, from early stage ventures to established billion dollar enterprises. Directed the launch and sustained growth of numerous products and services to both B2B and B2C markets. In depth expertise in all areas of marketing, including branding, demand generation, digital marketing, field marketing, product marketing, strategic communications, sales acceleration and the Web. Proven ability to rapidly scale operations, drive and expand market leadership, recruit and develop high performance teams. Excels in fast-paced, dynamic environments.

Grant is Chief Marketing Officer for Pegasystems, the market leader in BPM and a leader provider of CRM software and SaaS solutions. Grant is responsible for global marketing strategy and execution, including corporate and product marketing; solutions marketing; customer, field and partner marketing; communications, competitive analysis, digital marketing, social media, events, communities, industry analyst and press relations, research, and global Web presence.

Previously, Johnson was Vice President of Marketing at Guidance Software. Johnson was also Vice President of Marketing and served as an officer for FileNet, a $400+million enterprise software vendor acquired by IBM in 2006. Prior to that, he was Vice President of Marketing for FrontBridge, a SaaS-based email management vendor acquired by Microsoft. Johnson led the company's re-naming and re-launch, built the marketing team from the ground up, and delivered integrated programs to support significant revenue growth. He also served as Director of Marketing for Symantec, with worldwide responsibility for the Norton brand. Johnson received his bachelor of arts from the University of California, Santa Barbara and his master's in business administration from Pepperdine University. He has published several articles on best practices in high-tech marketing and co-authored the book, PowerBranding™

In today's social,mobile, big data and cloud world, significantly increasing demands have been placed on marketing. But if you're up for the challenge, there's never been a better time to be a CMO. I hope this comprehensive strategies guide provides a few stimulating ideas to make your marketing journey more successful

Table of Content

JOIN THE CONVERSATION
and tell us what your top strategies are

The CMO role is rapidly transforming, in large part due to the rapid pace that social, mobile, cloud and big data mega trends are becoming pervasive and changing the very nature of business. To better understand the most significant aspects of the new CMO role and what it takes to succeed in an increasingly digital world, I spoke with three CMO thought leaders: David Cooperstein, VP, CMO Practice Director, Forrester Research; John Ellett, CEO of nFusion and author of The CMO Manifesto; and John Neeson, Managing Director and Co-Founder, Sirius Decisions.

It became clear during the course of several dynamic conversations that six key elements define the essence of the modern CMO, and how well they are put into practice can largely determine whether he or she will succeed in shaping company success or be relegated to the historical role of merely owning branding and communications. I share many of the same views that my counterparts and I discussed, and there are many take-aways from each interview.

Old vs. New

The old CMO was focused primarily on corporate marketing and strategic communications, without full operational responsibility or a regular seat at the table in the C-suite. The new CMO is, according to Neeson, a "more cross-functional role that touches every part of the business." CMOs now must be "constantly looking at things and evaluating from a strategy standpoint to determine what they can do better." To succeed in the new world requires not only a firm grip on navigating the complexity of the business environment, but also, according to Ellett, the ability to influence C-suite peers and "share insights across the organization that help shape both corporate strategy and operational excellence." It's a balancing act to maintain an operational focus the keeps the engine running smoothly, while regularly looking over the horizon to what's coming next, what to pay attention to and what to ignore, but the new CMO is figuring out how to do enough of both to increase impact on organizational growth and success. It's not for everyone, and becoming increasingly more digital and influential in business operations and outcomes is invigorating for many of us who are renewed in this process of evolving.

STRATEGY

#1

Evolve to CMO 2.0
Six Key Elements

Marketing Science

In the old days, marketers could assert that "half of my marketing spend works, but I just don't know which half." The rise of digital media, combined with the ability to measure the effectiveness of the increasing amount of digital marketing spend, means that marketers are now being held far more accountable for the results of marketing expenditures. But it goes beyond just measuring marketing ROI. Modern marketers need to become experts at understanding digital customer behaviors and in data mining so they can architect a customer strategy that maximizes the efficiency of how their company targets, acquires and grows customers and increases market share. We are in the customer-driven era and the age of customer empowerment. According to Ellett, "this dramatic shift in power to the voice of the customer" means that marketing needs to become more science, and marketing needs to lead the company to "build out the capability organization-wide to be more responsive to customer voice and experience." He continues, "Marketers have traditionally been quite strong at persuasive communications and ideation. The best ones have also excelled at understanding the customer mindset and leveraging agency partners to drive demand and increase influence. The new CMO must now become as adept at analytics and data-based decision making as they have been at the more subjective art of branding and communications." As Cooperstein states: "today, more than ever before, CMOs are being held fully accountable for the results of marketing activities. This means we have to be more metrics oriented. A lot more is required. We're seeing that working together is much better than working apart."

Marketing Technologist

From a career path perspective, marketers traditionally have educational backgrounds rooted mostly in liberal arts, fine arts and communications, rather than science. Some have progressed or transitioned into marketing careers from a more technical underpinning, such as computer science or engineering, especially in technology markets. With the rapidly increasing role that technology plays in helping companies optimize their operations, engage with and convert customers, and build lifetime customer value, technology adroitness is now a mandate that all marketers can't ignore. According to analyst firm Gartner, by 2017, CMOs will spend more on technology than CIOs. Regardless of whether this prediction comes true, marketers have no choice but to become well-versed in technology. They need to not only understand the broad range of technologies that can help the company compete more effectively (e.g. predictive analytics, social media monitoring, marketing automation), but also how to create a cogent technology adoption roadmap.

STRATEGY

#1

Evolve to CMO 2.0
Six Key Elements

Except for CMOs starting out at new companies, most of us have a technology infrastructure that is a collection of capabilities and not fully capable or integrated to serve current business mandates. So it's now required to closely partner with CIO peers to articulate a comprehensive roadmap to acquiring, improving and integrating marketing technologies that help the company meet its strategic objectives. As Ellett states, "technology has changed the way customers interact with information and how they choose to interact with companies," so CMOs must now drive how technology is utilized, just as they drive marketing strategy and tactics, to ensure their company can successfully engage with the more empowered, digital, and social customers.

Achieving Alignment

Alignment used to mean that the CMO needed to inform sales on what new products or services were about to be announced, and what new marketing campaigns would be running in the quarter. We could approach alignment in a siloed fashion, seeking it where needed, such as budget approval for major expenses, and avoiding it where unnecessary, such as testing messaging to increase response rates. It's a lot different nowadays. Today, as Ellett states, alignment means, "getting the rest of the C-suite unified around a central strategy. It's about getting sales, customer service, operations, and support aligned around delivering a superior customer experience across every touch point." As CMOs, we are expected to contribute to the shape and trajectory of the business and bring ideas, energy and inspiration about how to grow more profitably and compete more effectively. It takes a lot more effort and cycles to drive company-wide alignment than functional alignment, especially when any significant change is contemplated. It also takes someone with more business savvy (i.e., typically an MBA or advanced degree is required) than marketing professionals may have been expected to possess in the past. It also takes a lot more gravitas today, both in and outside of the boardroom. As Cooperstein says, today's CMOs have to "earn the right to the C&O (chief and officer), and not just the 'M' part of our titles."

Business Partner

In order to fully achieve alignment, a CMO must be adept and proficient at becoming a full-fledged business partner. While the opportunity to impact business results has increased for CMOs, the expectations have also risen commensurately. As Cooperstein says, the CEO now expects the CMO

"to tell them about the things that are coming down the pike and bring new ideas forward," so they can better navigate fast changing global markets and seize opportunities more rapidly, and to have "a constant pulse on the customer to gauge how they are reacting or changing, and what that means for the business." The CMO is uniquely qualified to optimize the customer experience, but to do so successfully requires substantive insight into customers to fully understand their preferences, predict their behaviors and drive measurable outcomes to marketing initiatives.

In the past, marketing could sometimes speak in a slightly different language, just as engineering might have. Today, however, as Ellett states, "the biggest thing that a CMO can do is to talk to what they do in the language of business results. They need to connect marketing language and programs to key corporate objectives and priorities." They also need to spend more time in crafting, articulating, and refining strategy to be the business partner that others in the C-suite now expect. Neeson believes that the tide has shifted and more CMOs are coming to the table with "very good business skills and a more pragmatic view," which is a lot different than when their role and scope was much narrower. He believes that the "CMO comes to this role because it's the one place where you can touch every part of the business. You can change market perception, your business, and have an incredibly positive impact on the longevity of the business and really move the needle more than in any other place."

Customer Driven

As I've alluded to earlier, being connected to the customer is more critical than ever for today's CMOs. As Cooperstein says, "the roles of marketing have been revised, and CMOs are much more customer focused than before. How customers consume messages is being considered more significantly now. It makes the role a lot more fun if you are customer driven, but not so much fun if you aren't." In mostly all, companies, the CMO does not have direct control over the entire customer experience, but he or she must somehow understand every contact the customer and company have with each other and drive, or at least influence, how to shape and orchestrate the right experience at every moment.

STRATEGY

Evolve to CMO 2.0

Six Key Elements

Marketing has traditionally led cross-functional strategies and tactics around the customer lifecycle, from contact to acquisition to cross-sell and retention. But leading an organizational shift to become truly customer driven is a much bigger undertaking, and one that requires both fortitude and stamina. But there's no going back. In the Web 2.0 world, customer experience and loyalty have become the key differentiators between leaders and laggards. While the importance of delivering great experiences for customers is generally understood by most companies, executing well (and consistently) across all customer touch points remains a challenge and thus an opportunity for CMOs to make a major difference. In today's so-called customer-driven era, many companies are approaching this shift to a more empowered customer by driving greater integration in customer management across functions and systems. The CMO is naturally one of the primary executives that companies are asking to orchestrate a cross-functional, strategic initiative to enhance customer lifetime value and operational efficiencies across many functional areas, including sales, marketing, service and support. Without appropriate department, process, and systems linkage, however, the impact will be diminished, so taking on this critical leadership role is no small task for CMOs, but the endeavor can be very impactful on both the top and bottom line.

STRATEGY

#2

Build the Brand
Six Key Challenges

Having created and shaped several successful brands during the past 20 years, including FrontBridge (acquired by Microsoft), FileNet (acquired by IBM), AST Computer (acquired by Samsung) and now Pegasystems, there are several keys challenges that must be addressed to successfully build and maintain a global brand: charter; structure or architecture; investment; management; alignment; and advocacy.

Brand charter is the first, and in many cases, the foremost challenge. Brand charter means having both explicit and implicit empowerment to be the chief brand steward for the company, to be the arbitrator that breaks all ties related to key branding decisions, and to be the final authority. Branding, just like advertising and other forms of marketing communication, can be very subjective - everyone has an opinion - so it's critical to establish early on that marketing has the vision, the expertise and the mandate to drive brand building and brand management decisions companywide and globally. When you have the right charter in place, it's possible to make the tough calls without a committee, to drive consistency and to foster continuous improvement; without a strong charter, the brand will never flourish.

Brand structure is about having a brand architecture firmly in place. If the company is unsure whether to adopt a master brand strategy (e.g., Lexus), a house of brands (e.g., P&G), or an endorsed approach (e.g., Microsoft), building a brand will prove very daunting. Architecture is a useful metaphor for a master brand because it requires some level of hierarchy to define the relationship between the master brand and all the sub brands and/ or product lines and services brought to the market and supported by the master brand. One key structural consideration is to not create too many levels in brand architecture. Most people have difficulty keeping more than two or three levels in their heads, so it's best to manage to a more streamlined brand structure.

When I was at FileNet, our master brand structure was somewhat in disarray, with five levels of brand architecture creating confusing and often overlapping messages to the marketplace. In addition to product brands (e.g., FileNet Content Manager), the company was branding specific features (e.g., ZeroClick), technologies (e.g., Content Federation Services), even the graphical user interface, or GUI (FileNet Workplace).

After careful examination, we streamlined our brand architecture to just two levels (FileNet + Product Brand Name), and relegated all other competing brand names to a purely descriptive level to better support and maintain a coherent brand architecture. This process resulted in better informed sales and channel personnel and, most importantly, increased customer understanding of what we offered to the marketplace.

As part of the brand assessment process undertaken to develop the Pegasystems brand, the team and our agency partner, RiechesBaird, examined competitive architectures. These architectures were, in many respects, quite similar to what I inherited when I joined FileNet, often consisting of five or more distinct levels of brand architecture.

In order to make it easier for Pega's customers to understand our offerings, we decided to simplify our brand architecture and focus on just two levels: Pega, the master brand, and the product family. So, as shown in Figure 1, our product families are organized under Pega BPM, Pega CPM, Pega Cloud, Pega Financial Services Solutions, Pega Insurance Solutions, and so on. This allows us to focus on Pega as the master brand and to communicate our solution offering in descriptive terms that have inherent meaning with their market segment, rather than try to create and manage a broad array of proprietary and not broadly understood names.
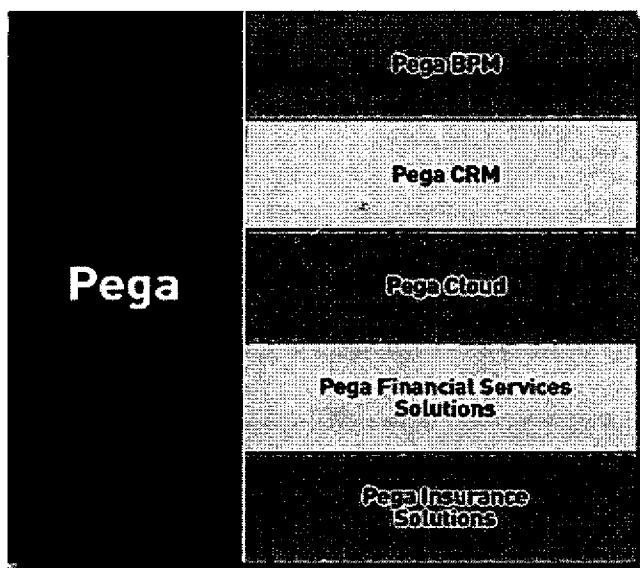

Pega

- Pega BPM
- Pega CRM
- Pega Cloud
- Pega Financial Services Solutions
- Pega Insurance Solutions

Figure 1. Pega Brand Hierarchy

STRATEGY

(#2)

Build the Brand

Six Key Challenges

In order to make it easier for Pega's customers to understand our offerings, we decided to simplify our brand architecture and focus on just two levels: Pega, the master brand, and the product family. So, as shown in Figure 1, our product families are organized under Pega BPM, Pega CPM, Pega Cloud, Pega Financial Services Solutions, Pega Insurance Solutions, and so on. This allows us to focus on Pega as the master brand and to communicate our solution offering in descriptive terms that have inherent meaning with their market segment, rather than try to create and manage a broad array of proprietary and not broadly understood names.

Brand architecture is even more critical for any company with a broad or growing range of products and/or services, so that employees, customers, partners and prospects can easily navigate through your offerings and not get confused over about how the products relate and overlap. If you haven't revisited your brand architecture in more than a year, it's likely what you're building is a façade, rather than reinforcing a foundation. Because technology and innovation are inextricably linked, tech companies are continuously introducing new products and services, and in most cases, adding brands and sub-brands into their product portfolios. Over time, even a sound architecture can begin to crumble under the strain of too many overlapping brand layers

Another final key element is brand investment, and this aspect is typically centered on the brand building and investment philosophy the company or firm has in place. Is brand building considered a strategic imperative, a competitive differentiator, or merely an outcome of marketing communications? If it's the latter, it will be difficult to get much attention or support around initiatives that require funding. As in life, companies, like people, invest in the things that are important to them, and having a brand development line item is the only way to ensure that brand building can be a strategic, rather than a tactical consideration. At both FileNet, and now Pegasystems, the executive team and the Board of Directors have supported the need to invest in brand development on an ongoing basis.

The next key branding challenge is about having a clearly articulated brand management system and process in place to manage the brand. There are almost as many unique approaches to managing brands as there are brands; however, best practices in every industry, whether B2B or B2C, dictate that have a systematic approach to brand management can dramatically increase the speed and efficacy of brand building. Brand management is a discipline, just like accounting or architecture, so having a well-defined approach can greatly accelerate the path to successful brand management.

One such approach is called the framework for PowerBranding™. In the book PowerBranding™, which I co-authored with Marty Brandt, the framework (see figure 2) articulates four key elements or layers that must be addressed to systematically and effectively manage a brand or collection of brands. The first layer is brand foundation and it consists of having a well-defined brand mission, vision, values and a sustained financial commitment. The second layer is brand strategy and it consists of articulating the differentiating positioning, personality and experience that brand represents and having an integrated strategy across all customer touch points to ensure maximum brand impact. The third layer represents the actual brand management practices including the system, structure, process and measurement of brand status and progress against stated brand objectives. The fourth and final layer is brand implementation, including the target markets and customers, marketing mix, programs and communication tactics designed to reach and influence customers and prospects.

Targets	Budget/Mix	Programs	Communications
Brand Implementation			
Structure	System	Process	Measurement
Brand Management			
Positioning	Personality	Experience	Integration
Brand Strategy			
Mission	Culture	Values	Commitment$s
Brand Foundation			

The *PowerBranding*™ Framework

Focus & Consistency

Figure 2. PowerBranding™ Framework

In addition to a brand system, many companies create comprehensive brand management guidelines that define everything from brand architecture and naming conventions, to acceptable brand or visual expression, to collateral and editorial guidelines and more. Adopting and promulgating a comprehensive brand handbook or guide is an effective way to drive global consistency, especially if the brand guide clearly articulates all the do's and don'ts of proper brand usage. The more countries and languages in which a company markets their products and services, the more prone to local interpretation – or misinterpretation – brand usage can be, so having the guide translated, as appropriate, is also helpful. Ultimately, proper brand management requires some level of ongoing brand audits for compliance and a designated enforcement resource to ensure brand standards are adhered to and implemented in a proper and consistent manner.

Brand alignment means ensuring that all global regions that have some level of marketing autonomy are aligned to the need for global brand management. I first encountered mis- alignment when I was at AST Computer in the 1990's. I conducted a global brand audit and discovered that our fast growing APAC region was using a distinct color palette, tagline, and visual style. Getting remote regions to understand and buy into the need to have one corporate brand is often very challenging, especially when such regions are often run by entrepreneurial leaders who want to do things their own way. At AST, enlisting the APAC region to help define the new brand guidelines and incorporate some of their brand creativity to allow for local expression was a successfully avenue to foster alignment. Simply dictating "this is how it should be done," without participation and buy in, would have likely resulted in tacit agreement, but de facto defiance.

Finally, brand advocacy is the last and perhaps most important element. The larger an organization, the harder it is for the CMO to be everywhere and touch everything related to building, let alone maintaining, a global brand. At Pega, we have created a simple brand personality acronym to help every employee get involved in brand building. Our four brand attributes are Passionate, Engaging, Genuine and Adaptive, and we've created a video compilation entitled, "How PEGA are you?" in which employees from our US, European and Asia Pacific regions talk about how they embody the four key personality traits. The video is available both on our intranet and on our main website under "careers" as a tool to communicate our unique character to prospective employees. Finding brand advocates at corporate headquarters is rarely difficult; the bigger challenges are to find them, inspire and support them across the globe. Getting them to own their part in creating and perpetuating the company brand is critical to ensure consistent customer experience and maximize the impact of all branding

STRATEGY

#3

Formulate Strategy
Shift from a Short-Term Mindset

Given all the pressure to deliver quarterly results, it's becoming increasingly difficult to get adequate executive attention on strategy formation and/or re-examination. Executive energy is largely consumed with driving operational excellence and available "cycles' are devoted to sales and growth initiatives designed to drive near-term, measurable improvements in sales, operational efficiency and/or profitability. It makes sense given we are still "heads down" working our way out of a prolonged global recession and economic uncertainties.

Nevertheless, there's a risk that by ignoring meaningful strategy formulation today, your company will likely limit its growth potential when the economy sustains a consistent growth rate. So where does that leave marketers who understand the need to craft and refine strategies to drive long term competitive advantage? Do we just wait for thus recessionary cycle to end and then raise our hands higher and declare "now is the time?" Should we focus all of our attention on activities and campaigns to drive awareness, increase customer engagement, generate leads and drive sales pipeline growth? That's not the preferred choice, so here are a few suggestions to keep strategy as a top of mind consideration at the very least, and part of the normal cadence of annual business planning at best.

First, take stock of the strategic planning process at your company over the past few years and determine whether - independent of the economy – it is at or nearing the time for a regular review of business strategy. If so, and if there is no single individual or group chartered to drive strategy at your company, raise your hand. After all, marketing is as well suited as any other functional area to own the strategic planning function.

Second, determine who has been and should be key to driving of strategy formation, refinement and execution at your company, then take an informal poll on whether these individuals who have participated in the part or other relevant stakeholders can be instrumental in creating urgency around the need to revisit and refine strategy in a disciplined manner in order to drive long-term growth and differentiation.

Lastly, if you have a strategy in place and are mapping to it in marketing, it's important to ensure that all other functional departments are aligned to the same strategy. When I was VP of Marketing at FileNet, prior to the acquisition by IBM, we had formulated a long-term growth strategy that all of the functional areas had presumably "bought in to." However, when we began sharing how we were operationalizing the corporate strategy in Marketing with other functional areas such as Professional Services, Finance and IT, we discovered that none of these groups were making any meaningful changes to their operations to be in better alignment with the strategy. Lesson learned: strategy that is not embedded in how companies operate is a nothing more than an elegant binder that sits on a shelf. Turning strategy into action is how market leaders win. To strategize or not is not the question. It's making sure that strategy remains a constant, in good times and bad.

STRATEGY

(#4)

Segment Your Market

Maximize Revenue Potential

One of my colleagues recently once asked me, "since when did marketing strategy become an oxymoron?" What he meant by this is that the challenging global economy is causing many marketers to start changing strategies on the fly and resort to strategy-de-jour or reactive tactics at the expense of strategy. Doing so runs the risk that any near term gain may lead to an erosion in your company's long-term growth potential. In the drive to generate sales now, I understand the need to be flexible in adjusting the marketing mix and go to market tactics. What I don't understand are companies that start discounting wildly or forsake their established brand position and value proposition in chasing any sales and ultimately undermine their brand equity. A more strategic approach is to segment customers and create whole product offerings that are relevant and attractive to each defined group.

Segmentation is also critical to maximizing marketing impact. All customers and all markets are not equal in terms of attractiveness and value. Of course most know this, but it surprises me that many companies still treat unique segment opportunities as if they have they are equal. In all markets, whether developing or established, there are always segments that are more likely to adopt your particular product or service, and certain ones that are also willing to pay more due for your solution if you can solves the most painful customer problems. Why not focus more of your dollars, programs and efforts on the higher value customers?

Another key aspect of segmentation is to balance the marketing investment between acquisition, conversion and retention (or upsell) activities. Your place in the technology lifecycle adoption curve (e.g., early market or mainstream), and how much revenue you can realize from existing customers versus new prospects should also influence how much you allocate to each segment. The questions about optimizing the marketing mix (e.g. how much for outbound vs. inbound marketing, trade shows vs. webinars, email vs. telemarketing, etc.) should always come after prioritizing customer segments according to relative attractiveness. Which segments are comprised of customers more likely to buy, remain loyal, and be open to cross sell and upsell opportunity? For new companies and/ or new products, this decision can be more difficult to ascertain, but when companies have achieved a critical mass in several segments or industries, historical sales and trend analysis can lead to a more intelligence and productive allocation of marketing resources. Sticking to a sound marketing strategy, or revising one that is no longer working is worth the time it takes to get it right and it increase your odds of exiting the slow growth curve revved up versus being stuck in neutral.

STRATEGY

#5

Intensify Customer Focus

Engaging the Empowered Customer

In their classic book from 1983, "The Discipline of Market Leaders," authors Michael Treacy and Fred Wiersema described three basic "value disciplines" that can create customer value and provide a competitive advantage: operational excellence, product leadership, and customer intimacy. For a long time since the book's publication, many companies successfully adopted a customer intimacy strategy by "continually shaping products and services tailored to specific customer needs."

But in this Web/mobile/social-driven era of customer empowerment, a customer-focused approach alone is no longer adequate. Those who don't agree will find it increasingly harder to survive, never mind thrive. In their February 1 article in the Financial Times, Kyle McNabb and Suresh Vittal observe that technology-fueled disruption has undermined prior approaches to customer focus: "Old models of channel and product specific 'command and control' just don't cut it. These anachronistic approaches, in which channel owners can't see beyond the channel de jour and product owners build from the inside out, don't set the organization up for success in a customer-driven world. Customer obsessed marketers (must) rethink business structures, reward methods and organizational design."

Due to this fundamental change in the balance of power which has shifted irretrievably to the customer, the authors propose that marketing should lead the company shift to becoming customer obsessed. Marketing has traditionally led cross-functional strategies and tactics around the customer lifecycle, from contact to acquisition to cross-sell and retention. But leading an organizational shift to customer obsession is a much bigger consideration than who leads the charge; it's the new business imperative defining what all functions in a company should do about it, both from a philosophical and operational perspective.

In his October 3, 2011 research note, "CMOs Must Lead The Customer-Obsessed Revolution," Forrester analyst Chris Stutzman writes that in "the age of the customer, empowered customers are disrupting traditional sources of competitive advantage."

STRATEGY

(#5)

Intensify Customer Focus

Engaging the Empowered Customer

In order to thrive in this new era, companies must abandon the outdated customer approach where "workgroups focus solely on their view of the customer to develop silo-based strategies" and replace with a customer-obsessed approach where "the customer's needs permeate the company's culture and operations facilitating the sharing of customer insights across the enterprise to develop cross-discipline strategy." It's clear that the most successful companies today, and in the future, will fully embrace the philosophy and practice of customer obsession. They are not satisfied by merely focusing on the customer, but relentlessly adapting their customer engagement strategies, investment priorities, business processes and policies to ensure that they create more net promoters and engender fewer detractors.

Meanwhile, those in denial of this new customer reality are falling behind faster than they can run the numbers. By the time they realize just how bad things are, their customers will have already defected in droves.

STRATEGY

6

Enhance Customer Value
Managing the Customer Lifecycle

The ability to seamlessly manage customers across the entire lifecycle and thereby maximize customer value remains an elusive goal for most organizations. There are many reasons for this: companies have established artificial customer service boundaries and silos that require multiple departments to service a single customer; different customer specialists are required to receive then fulfill a given service request; or they simply don't have the right software technology and business processes to match customer need and service ability at the moment of interaction.

As a result, organizations are only realizing a fraction of potential customer wallet share, experiencing high rates of churn and spending far too much time and money delivering repetitive information that only frustrates the customer. From the customer's perspective, they experience doing business with disparate individuals and companies, rather than a single cohesive organization. Too often, customers hear the dreaded phrase, "I am going to have to transfer you to another department," or "I am sorry, I am not empowered to do that, you are going to have to speak to someone who is...can you call back later when they are return to work?." When customers interact with the company, too often they are starting from scratch with every interaction, unable to benefit from the context provided during prior interactions.

With social media's ubiquity and pervasiveness, customers are empowered to communicate their every experience, and unfortunately, negative experiences are more frequently broadcast, so it's more critical than ever to manage the customer across the lifecycle. Savvy companies are breaking down the artificial and historic boundaries between marketing, sales, service and support so that in any conversation with the customer, they can make an offer, sell new or additional services, fix an outstanding issue, or proactively address a potential future issue – without the machinations required when these functions operate across organizational silos.

Consider a typical customer who walks into a mobile phone store. They may have an expiring contract on their existing phone and have received an offer for a new phone and renewed service. When they interact with store personnel, the conversation encompasses selling (find the right device that best matches that customer's usage), setup (configure/update the account and all the critical information for that customer), and servicing (show the key features and functions of the device so they are ready use it immediately).

In reality, many phases of the customer lifecycle do not happen within such a compressed time frame — they occur over time and across different channels, but the impact is the same. A customer calling for service represents an opportunity to sell additional value-added products. The on-boarding or set up process is the right time to align customer needs with best-suited products and to educate customers on recommended product usage, which in turn can deflect future calls to the call center and lower the cost of servicing the customer.

By aligning organizational capability to customer need and seamlessly managing the customer across the entire lifecycle, companies can improve operational efficiency, enhance brand loyalty, increase customer retention, create net promoters and, most importantly, build customer lifetime value. To achieve this level of customer centricity requires a new model of organizational collaboration and the right level of operational agility to both serve and fulfill the customer need, and in so doing, maximize customer value in every interaction.

STRATEGY

(#7)

Develop Key Metrics
Measure What Matters Most

Every CMO and senior marketer I talk to these days is striving to improve marketing ROI (MROI). Most have become proficient in measuring and reporting on marketing effectiveness. But few believe they have succeeded in proving the value of marketing to their CEO and peers, especially the CFO and head of sales. Why is this so? There are a lot of reasons, including not having a complete data set, not constructing marketing dashboards in a manner that is as easy to understand as a standard P&L report, or simply not having delivered sufficiently compelling data to support MROI assertions. From my experience, however, the primary gap results from not being aligned with the CEO and Marketing's peers on what metrics really matter.

To illustrate this point, there's an entire category of metrics that don't matter much to anyone besides marketing: activity levels. In other works, the quantity and frequency of marketing activities, such as the issuance of press releases, emails sent, campaigns designed and executed, collateral created and delivered, Web site visitors, Facebook fans and Twitter retweets. While all of us set objectives for increased activity levels in nearly every facet of marketing, the intrinsic value of activities is virtually zero in the eyes of the CEO and C-level peers. It's not the amount of activities that matters, it's the results.

There are many ways to objectively demonstrate relative contribution by marketing, such as percentage of leads and pipeline generated, and for some organizations, pipeline acceleration – i.e. shortening the sales cycle, if truly measurable – as a result of nurturing campaigns and other marketing tactics. If you can attain agreement on the acceptable numbers and percentages for these and related measures, you are well on the way to showing the value marketing contributes.

Sirius Decisions has developed best-practice guidelines around some of the more meaningful metrics. To aid marketers in creating useful dashboards, they organize measurements around three elements: metrics, KPIs, and financial. For metrics, Sirius suggests tracking inbound inquires (the best of which is the "contact me" request) and influencer advocacy (i.e. supporting and recommending your company). For KPIs, they suggest tracking customer satisfaction and demand or sales waterfall conversion rates.

STRATEGY

(#7)

Develop Key Metrics

Measure What Matters Most

So if you're still struggling with what to measure, how to measure it, and how to report marketing returns to a range of stakeholders, the most important part of this journey is getting agreement from the CEO and your peers on what metrics matter to them and what returns are expected. Once you have achieved this, you can work on presenting the information in a readily digestible format that conveys facts and figures in a compelling fashion. The first rule of effectiveness in communications applies equally well here: it's not what's said, it's what understood. When you achieve their understanding, you are well on your way to proving not just the effectiveness of marketing, but also its worth.

STRATEGY

#8

Improve Marketing ROI
Getting a Better Return

As we continue to experience the uncertain and fragile economy, one thing is certain: most marketers are wasting money. In the Web 2.0 world, and given the measurability of all things digital, at least it's not as bad as the old lament: "I know half of my money is wasted; I just don't know which half." Nevertheless, many heads of marketing, especially at companies with broad product portfolios, are suffering from being far too egalitarian in how they allocate budgets by treating all budget centers and customer or prospect opportunities more or less equally.

But all customers are not created equal. Your best customers buy more of your products, are more loyal, less price sensitive and willing to recommend you more often to others. So why are we not dramatically tipping the balance to the "20" in the "80/20" rule that can not only generate more revenue per invested dollar, but also more profit?

The main reason is the curse of entitlements and how established businesses generally approach the budgeting process by assuming that the prior year's budget is the baseline – wherein each department or budget manager is entitled to some increase over the previous year. This old- fashioned type of thinking typically leads to incremental vs. extraordinary improvement, and reinforces a "business as usual" vs. a "break from the pack" mentality, not only in terms of how budgets are allocated, but also regarding what market share gains are actually possible. Geoffrey Moore addresses this level of stasis in his new book, "Escape Velocity: Free Your Company's Future from the Pull of the Past". He says: "When organizations begin their strategic planning effort by circulating last year's operating plan, they reinforce the inertial properties of the resources as currently allocated." To break away from the pack, Moore argues, companies need to be laser-focused on what they invest in and concentrate the maximum resources on strategies and investments that can create separation from the competition.

If one accepts the notion that all investments will not have the same impact and return, it's not a big leap to realize that all customers and prospects should not receive equal shares of a budget. The target segments and existing customers that have the highest revenue and profit potential should receive a disproportionately larger share of the marketing budget. One of the more important contributions to this type of non-traditional thinking is V. Kumar's book, "Managing Customers for Profit". The quote from David Aaker on the back cover sums up Kumar's approach

best: "This book shows how a focus on Customer Lifetime Value (CLV) can change management toward long-term results by providing a fresh perspective on customer targeting, retention, and loyalty...it shows you the way toward strategic customer thinking."

So, what's this mean to you? If you haven't already established your annual marketing budget and parsed out the allocations in a traditional fashion, where everyone gets their fair share approach, then consider a more radical or zero-based budgeting approach that can foster greater marketing efficiency and increased revenues and profitability. If you are already locked in to the old way of doing things, who says it's too late to shake things up a little? Marketers need to be agents of change, and there's no better time to drive change than now.

STRATEGY

#9

Build a High Performance Team

A Pragmatic Approach to Developing Talent

When joining a new company, it's critical to quickly assess the team you've inherited to determine what level of organization restructuring and rebuilding will be required to ensure functional success. Before rushing to judgment and a rapid makeover, take time to understand – on a personal level – the structure, composition, talent, strengths and weakness of the team. Besides the obvious gaps in competencies, under-performers and open positions, often there are more subtle clues to the most pressing organizational shortcomings as well as staff member potential.

Misplaced. In every situation I've encountered, there is always at least one person who is not in a well-suited role. They often got there because they filled a vacuum left open for one reason or another, not because they had the requisite skills, desire or experience to succeed in the role. When asked to define success in the position, the misplaced person often says "getting stuff done," versus doing the right things, doing them in the right order and in the right way.

Misdiagnosed. Over time, as organizations grow and evolve, it's quite possible the talent gets buried. It's not necessarily by design; however, since people are often viewed primarily through the lense upon which they were first hired or moved into an organization, it's more difficult to determine that a rising star is obscured by someone whom they report to or some other circumstance. That's why I embrace skip-level meetings with inherited staff to find out whether top talent is just waiting to be tapped for a truly challenging assignment.

Key Marketing Behaviors. There are five or so key behaviors that all team members should be demonstrating in order to facilitate a high performing team and ensure ongoing improvement to operational efficiency and staff output:

1. Communication: clearly conveying information and ideas in a manner that engages the audience or team member and helps them understand the message. Demonstrated by how well one organizes the communication, maintains audience attention, listens to and adjusts to the audience and ensures understanding.

2. Innovation/Initiative: generating innovative solutions in work situations; trying different and novel ways to deal with work problems and opportunities. Demonstrated by doing more, finding new and better ways to accomplish ongoing tasks and continuously improve output and measurable results.

3. Customer focus: making customers and their needs a primary focus of one's efforts and actions is critical to successful marketing organizations (and companies for that matter). Thinking and obsessing about, contacting and connecting with, and "blueprinting" the value you deliver, the problems you solve, the difference you make is essential to efficiently capturing, nurturing, and growing your customer base.

4. Teamwork: genuinely helping others, developing collaborative relationships, and proactively problem-solving to accomplish work goals. I've found that in this area, intervention is often required to foster and maintain teamwork even when everyone says they work well with others.

5. Leadership: influencing people, events and actions by properly perceiving and acting upon situations and variables. The last one is, in many organizations, the key behavior. The phrase "lead, follow or get out the way" should apply to all team members, not just the few at the top. I argue that there are not enough leaders and risk takers at middle levels, so encourage others to take initiative and lead something, even a short team initiative, and sit in the passenger seat for a change and see how they drive. You may be surprised enough to let them go much farther in the future. Happy winning team building!

Be A Change Agent

How Marketing Can Drive Significant Change

The CMO Council issued a press release awhile back titled the "DNA of a CMO, "stating: "among the most essential qualities, a CMO must be: a visionary & thought leader; a strong business driver; able to secure executive support & foster cross functional relationships; customer centric; competitive strategy guru; and a brand advocate & champion."

These attributes make sense, but the ability to "secure executive support" doesn't quite capture the hardest, and most essential, quality and success factor I've seen for CMOs (at least in technology companies where's I've spent the past two decades). That quality is the ability to lead successful change initiatives, especially on a global basis. I've seen others fail when, upon achieving executive support for a change initiative, the CMO thought that hard work was done.

Having led global brand building change initiatives at AST Computer in the 1990's and FileNet earlier this decade, I'm certain neither brand development initiative would have been nearly as successful had my team and I not secured cross-functional, cross-divisional and cross-regional (i.e. EMEA and APAC) buy in and participation. The easy way could have been to dictate the key change, given both companies were led by strong-minded CEO's, but simply stating strategic intent is not the same as implementation and ensuring consistency of execution.

Russell Reynold's published a white paper a couple of years ago on "The Successful CMO" which listed personal competencies that a CMO must possess to succeed: "leadership skills; strategic perspective; adaptability; and flexibility and backbone." I found these last two attributes, flexibility and backbone, crucial to driving successful change. Having the courage of one's convictions is key, along with fact-based evidence (e.g. customer input) as supporting rationale. However, as I've learned, flexibility is just as important. Trying to drive change down a straight track ("do it because I'm in charge") can be the fastest way to derailment of key change initiatives. Flexibility to accommodate different organizational, personal, regional and cultural perspectives is key to successful and lasting change.

John Ellett, co-founder and CEO of nFusion Group , shares this view on the importance of driving change as a key trend, especially during the annual marketing planning cycle: "Change is imperative: whether it is competitive position or media mix, the status quo is rarely the way to go. Successful CMOs will be the change agents for their companies. So trend #1 will be an increase in structured change initiatives led by marketers."

About Pegasystems

Pegasystems, the leader in business process management and software for customer centricity, helps organizations enhance customer loyalty, generate new business, and improve productivity. Our patented Build for Change® technology speeds the delivery of critical business solutions by directly capturing business objectives and eliminating manual programming. Pegasystems enables clients to quickly adapt to changing business conditions in order to outperform the competition.

For more information, please visit us at www.pega.com.

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Pega

PEGASYSTEMS INC. 101 Main Street, Cambridge
VA 92140 1500 USA.

Pega

Standards Letter

November 3, 2009

Grant E. Johnson
20 Buellton
Irvine, California 92602

Dear Grant:

Welcome to Pegasystems!

We believe that your employment with Pegasystems will offer excitement and challenge because of the changing and competitive nature of our business. To satisfy our customers, we must provide the newest and best methods, systems and technologies.

To accomplish this goal, we treat information about us and our customers as confidential. While working here, you will come in contact with nonpublic (and often proprietary) information about us, our products, how our products work and upcoming products and enhancements. You may also contribute to the development of our products or systems. Finally, you will gain information about our customers which they expect and require be maintained confidential.

Accordingly, Pegasystems requires its employees to observe certain core obligations, including Pegasystems' Code of Conduct and company policies. This letter summarizes some of those obligations, while others can be found on our employee intranet.

What is Pegasystems' business?

Founded in 1983, Pegasystems established itself as a pioneer in rules technology for business, and today delivers mission-critical, rules-based business process management (BPM) software applications to blue-chip customers around the world. Our software currently comprises a patented business rules engine coupled with BPM technology – what we call 'Simply Smart BPM' – which allows companies to automate and manage customer service and transactions through multiple channels of interaction, including traditional call centers and Internet self-service. We also offer frameworks that utilize our BPM technology to create customized applications for particular industries or types of interactions. We then provide professional services and maintenance services relating to these products to ensure that our customers achieve meaningful value. Our business will also evolve over time in response to changes in technology, client needs and market forces. We will inform you in writing of any changes in the description of our business. This description of our business, as listed above and as updated from time to time, is referred to as "Pegasystems' Business" for purposes of this letter.

Who owns the inventions and processes you may develop while working here?

Pegasystems will own all works and inventions (including without limitation software, designs, processes, know how, works of authorship and other intellectual property) relating to our business ("Developments") which you, by yourself or with others, develop while working at Pegasystems. Pegasystems will also own Developments which you, by yourself or with others, develop after leaving Pegasystems, if you utilized any of our confidential or proprietary information in creating

web www.pega.com
phone|1| 617.374.9600
fax|1| 617.374.9620

such Developments. Pegasystems will own all Developments whether or not they are patentable or registerable under copyright or similar statutes, and whether or not they are conceived or reduced to practice during working hours or on our premises.

By signing below and confirming this letter, you assign to Pegasystems, without further compensation, all of your rights in all Developments and any trademarks or trademark applications, trade secrets, patents or patent applications, and copyrights or copyright applications covering all Developments. Upon request, you will sign and deliver any requested assignments, patents, applications, registrations, or other documents to effect this assignment.

You also agree and acknowledge that if Pegasystems is unable, after a reasonable effort, to obtain your signature on any trademark application, letter patent, copyright application, assignment or other analogous protection relating to a Development, this letter appoints Pegasystems as your attorney-in-fact to execute and file such application(s) and to do all other lawfully permitted acts to further the prosecution, issuance, and (in Pegasystems' discretion) assignment of trademarks, letters patent, copyrights, or other analogous protection with the same legal force and effect as if executed by you.

What does Pegasystems expect regarding conflicts of interest?

By accepting employment with Pegasystems, you are confirming that:
- You owe no duty to anyone else which conflicts with your duties to Pegasystems.
- You have no obligation to assign any right, title, or interest in any Development to anyone other than Pegasystems.
- Your employment with Pegasystems does not violate any agreement or understanding to which you are bound.
- You will abide by Pegasystems' Code of Conduct and other policies, which further address conflicts of interest.

How does Pegasystems expect you to treat confidential information?

By asking you to join Pegasystems, the Company demonstrated a high level of trust and confidence in you. Working here, you will have access to and contact with: non-public or proprietary software, processes, methods and know-how concerning Pegasystems, our customers and other third parties (including, but not limited to, information about our marketing or development efforts, current or future products or services, or our business or financial operations and condition); operational, financial or personal data relating to our customers' businesses or our customers' customers; lists of our former or present customers and information about our prospective customers; and lists of our employees and information regarding our employees ("Confidential Information"). By joining Pegasystems, you agree that during your employment and for an unlimited time after your employment, you will not disclose or use any Confidential Information, except on Pegasystems' behalf.

What happens if you are no longer employed by Pegasystems?

At some point in time, for various reasons, either you or Pegasystems may decide to terminate the employment relationship. If this happens and regardless of the circumstances, each departing Pegasystems employee must ensure that all records, papers, disks, software, notebooks, files, and other documents pertaining to Pegasystems' products, customers, Developments, or other Confidential Information, together with all copies or reproductions of such materials are returned to the Company.

<u>What restrictions do we impose upon our departing employees?</u>

Pegasystems imposes a few restrictions on your post-employment activities. These restrictions, commonly called "covenants not to compete" and "non-solicitation covenants," limit what you can do and for whom you can work. Like most companies competing in our business sectors, Pegasystems must protect our Confidential Information, our Developments and the like.

By signing below, you agree that, due to the nature of the Pegasystems' Business, these restrictions are reasonable as to time and scope.

- <u>Covenant not to compete</u>

  While working for Pegasystems and for twelve (12) months after that, you cannot accept employment with, acquire an ownership interest in, act as an independent contractor or consultant for, or otherwise advise or assist any Competitor (as defined below). This restriction applies to those countries in which Pegasystems has a business interest, such as an office or customer. You can own stock in a Competitor, provided that the Competitor is a publicly-traded company listed on a national exchange.

  A "Competitor" means: (i) any person or entity that derives a significant portion of its revenues from Pegasystems' Business or any substantially similar business; or (ii) within an entity that contains multiple operating divisions or subsidiaries, any operating division or subsidiary that derives a significant portion of its revenues from Pegasystems' Business or any substantially similar business. If an entity contains one operating division or subsidiary that is a Competitor, but also contains other operating divisions or subsidiaries that are not a Competitor, you are not prevented from having the types of relationships described in the paragraph above with the non-Competitor divisions or subsidiaries.

- <u>Customer Opportunities</u>

  If you had contact with a Pegasystems' customer as a result of your duties at Pegasystems, you cannot seek or accept employment with that customer for a period of twelve (12) months from the most recent date on which you had contact with that customer.

<u>Covenant against solicitation</u>

  While working for Pegasystems and for twelve (12) months after that, you cannot, except on Pegasystems' behalf, directly or indirectly solicit any of Pegasystems' employees, or any persons that were Pegasystems' employees within the preceding six month period, to leave us, or hire any of such persons. Further, for the time period stated above, you cannot solicit any of our former or present customers for any activity which is competitive with Pegasystems' Business.

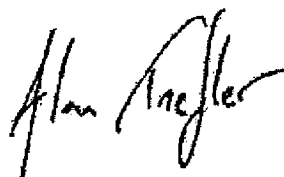<u>What if a court holds that something in this letter is not enforceable?</u>

The invalidity or unenforceability of any provision of this letter shall not affect the validity or enforceability of any other provision.

Insider Trading; Code of Conduct; Other Policies.

As a publicly held company, Pegasystems and its employees are subject to various laws concerning "insider trading." Pegasystems' current insider trading policy is maintained on our employee intranet. Pegasystems also has a Code of Conduct, as well as other company policies. It is your responsibility to be familiar with the contents of the Code of Conduct and company policies and to comply with their provisions. Pegasystems may change or supplement our Code of Conduct and company policies over time, and as an employee you are expected to stay current on the company's policies.
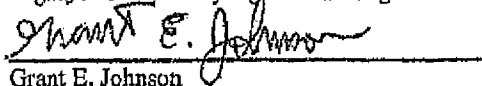
A few miscellaneous items.

- If we fail to enforce any of our rights on a particular instance, you cannot consider that failure to be a waiver of any other right.

- Massachusetts law governs this letter and each of our rights under it.

- You acknowledge that your employment at Pegasystems is on an at-will basis. As such, either you or Pegasystems can terminate the employment relationship at any time and for any reason.

- Each of our rights and obligations detailed in this letter shall continue beyond the end of your employment with us, regardless of the manner or cause, if any, for such termination. If Pegasystems merges with or into another company, undergoes a change of control, or otherwise is subject to legal change, our successor(s) shall be subject to, and be able to enforce, Pegasystems' rights and obligations.

- You acknowledge that your obligations in this letter are not tied to your present role, title, responsibilities or geographic location. Therefore, your covenants in this letter shall survive any change in your role, title, responsibilities, compensation, benefits, geographic location or any other term or condition of your employment.

- This letter sets forth the entire understanding between us relating to the subjects discussed in this letter, and may not be amended or modified unless we both agree in writing. Any previous agreement or understanding between us regarding the subject of this letter, whether written or oral, is null and void.

Alan Trefler
Chief Executive Officer

I acknowledge that I have read this letter in its entirety, understand each of its provisions, and agree to be bound by its terms and conditions. I also acknowledge that Pegasystems has relied on my assent to the terms of this letter in offering me employment. Finally, I understand that certain of Pegasystems' and my rights and obligations survive the termination of my employment.

Grant E. Johnson   11-4-09
                                                        Date

EXHIBIT C

Pegasystems Inc. 1 Rogers Street,
Cambridge, MA 02142, USA.

Pega

Janet Mesrobian
Associate General Counsel
Janet.Mesrobian@Pega.com
(617)866-6510

April 22, 2013

Grant Johnson
64 Yarmouth Road
Wellesley, MA 02481

RE: Your Standards Letter with Pegasystems

Dear Grant,

We have serious concerns that you have breached your ongoing contractual and other legal obligations to Pegasystems as set forth in your November 3, 2009 Standards Letter. We are seeking assurances from you while we evaluate further steps, including possible legal action.

At the inception of your employment with Pegasystems, you signed the Standards Letter pursuant to which you agreed to certain pre- and post-termination obligations, including but not limited to the "Covenant against Solicitation." The Standards Letter was a condition of your employment, an expectation that Pegasystems clearly set forth in your November 3, 2009 offer letter. In reliance on your agreement to observe your Standards Letter obligations, you commenced employment as Pegasystems' Chief Marketing Officer, a position carrying the highest level of trust and responsibility as a member of the company's Functional Leadership Team.

In your Standards Letter, you agreed, among other things, that "[w]hile working for Pegasystems and for twelve (12) months after that, you cannot, . . . directly or indirectly solicit any of Pegasystems' employees . . . to leave us, or hire any such persons." Within one business day of your departure, however, your former direct report, Jeff Clark, indicated his intention to resign as Pegasystems' Senior Director of Corporate Marketing and join you at SDL. We also know that you and Jeff Clark were in communication regarding SDL before you resigned. This has led us to conclude that you have breached your binding contractual obligation and the duty of loyalty owed to Pegasystems upon which your Pegasystems employment, and therefore compensation, was predicated.

In light of your conduct, we seek certain assurances from you that you will otherwise comply with the terms of your Standards Letter, as well as information relating to your involvement with Jeff Clark's expressed intention to resign from Pegasystems and his prospective employment at SDL, as well as that of any other Pegasystems employees. Accordingly, we request the following as we evaluate further steps:
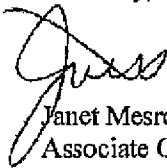
   1.   That you affirm that you have not violated any of the other provisions of the Standards Letter, and that you have complied and will continue to comply with its terms, including but not necessarily limited to the protection of Pegasystems confidential information, the covenant not to compete, and the customer opportunities provision.

Mr. Johnson
Page 2 of 2

2. That you immediately return all Pegasystems information still in your possession, both in electronic and hard copy form.

3. So that we may fully evaluate this matter, that you disclose all information related to your involvement with Jeff Clark's intention to resign from Pegasystems and prospectively join SDL, as well as the prospective employment or employment of any other Pegasystems employees at SDL. In particular, we need to know how and when Jeff Clark learned of the opportunity at SDL, whom he interviewed with and when, and the nature and extent of your involvement.

4. Given the possibility of legal action, please be advised that you are additionally required to preserve and maintain all hard copy or electronic documents (including any emails to your personal email account(s)) that may be relevant to this matter, including any Pegasystems documents in your possession, which as noted above, you are required to immediately return to Pegasystems, and any communications between you and any Pegasystems customers and employees.

Pegasystems is extremely concerned and will continue to evaluate all of its legal options. To that end, we reserve all rights in this matter. We expect to hear from you promptly, but in no event later than April 24, 2013.

Sincerely,

Janet Mesrobian
Associate General Counsel

EXHIBIT D

April 23, 2013

Janet Mesrobian
Associate General Counsel
Pegasystems
1 Rogers Street
Cambridge, MA 02142
Janet.Mesrobian@pega.com

RE: Standards Letter

Dear Janet,

In response to the four paragraphs in your April 22, 2013 letter to me:

1) I affirm that I have not violated any provisions of the subject Standards Letter, and will continue to comply with its terms.

2) I have no Pegasystems information, electronic or hard copy, in my possession. My notebook PC and all hard copy information were left in my office upon my departure from Pegasystems on April 12, 2013.

3) Alan Trefler informed the entire company that I was leaving Pegasystems on Friday, April 5th. I informed the entire marketing staff via a "marketing-all" email on April 9th that I was going to join SDL. Jeff Clark approached me and shared that he was unhappy at Pegasystems, had endured four very difficult years of commuting at least 3.5 hours daily to Cambridge, and was actively interviewing for a job closer to his home. I told him that while I knew SDL had approximately 100 openings in the U.S., I was (and am) obligated not to hire or solicit anyone from Pegasystems per the subject Standards Letter. I understand that he initiated contact with SDL to inquire about open positions and was subsequently offered a job.

4) Understood

Sincerely,

Grant Johnson

EXHIBIT E

From: Johnson, Grant <GrantJohnson@pega.com>
Sent: Tuesday, March 26, 2013 3:02 PM
To: Clark, Jeff
Subject: Re: SDL Innovate - New Sessions Announced (workshops, roadmaps, trainings and more!)

Use grantejohnson1@gmail.com

Sent from my iPhone

On Mar 26, 2013, at 6:53 PM, "Clark, Jeff" <Jeff.Clark@pega.com> wrote:

> Saw this on my Droid. They need a mobile friendly version.
> I clicked to forward to you, and got their website and an error message.
> Probably using their own product. Hmmm.

> **From:** SDL Language Technologies [mailto:beglobal@sdl.com]
> **Sent:** Tuesday, March 26, 2013 11:33 AM
> **To:** Clark, Jeff
> **Subject:** SDL Innovate - New Sessions Announced (workshops, roadmaps, trainings and more!)

Trouble viewing this email? Click here to view on web. Forward to a friend.

New Sessions Announced

Workshops, roadmap presentations, product training, and more!

SDL Innovate brings Global Customer Experience Management strategies to the forefront. This event will give you the inspiration and know-how to drive global

growth at your organization.

Check out these new sessions – see products in action, hear roadmap plans and get face-to-face time with product experts. With multiple content tracks, you can easily organize and customize your day to attend the sessions that are relevant to you and your company.

VIEW AGENDA

Session Highlights

? Using SDL Social Intelligence to Drive Customer Commitment
? Panel Discussion – Driving Strategy with Social Intelligence
? Listen. Understand. Engage. Introducing the SDL Intelligent Marketing Suite
? Stay Relevant & Engaged – Personalization and Targeting with SDL
? Getting Social with your Product Content
? Personalize, Don't Just Localize.
? Machine Translation Best Practices for a Big Data, Big Language™ World
? Big Language™ Business Pioneers: Translation Management Success Stories
? SDL Product Roadmap Sessions, Product Trainings & Ask the Expert Panels

SDL Innovate is taking place on June 13-14 at the Fairmont San Jose - you won't want to miss it!

REGISTER NOW

Learn more: www.sdl.com/innovate

Stay
Informed: [x]

[x]   [x]   [x]

This email was sent to jeff.clark@pega.com. If you no longer wish to receive these emails you may unsubscribe at any time.

Pegasystems Inc. 1 Rogers Street,
Cambridge, MA 02142, USA.

Pega

Janet Mesroblan
Associate General Counsel
Janet.Mesroblan@Pega.com
(617)266-6519

May 23, 2013

Elaine Duguay
Vice President, Legal Services and Contracts
SDL plc
410 Totten Pond Road
Waltham, MA 02451

Re: Pegasystems Standards Letter; Jeff Clark

Dear Ms. Duguay,

Thank you for your letter of May 17, 2013 and for meeting with me recently to discuss
Jeff Clark joining SDL. As we discussed:

1. Pegasystems agrees to waive any claims against SDL and Grant Johnson related to
    the solicitation and hire of Jeff Clark;

2. SDL agrees to defer Jeff Clark's start date with SDL until after PegaWORLD,
    which concludes on June 12, 2013. SDL acknowledges and understands that each
    of Messrs. Johnson and Clark have signed Standards Letter agreements with
    Pegasystems, under which they have agreed to certain obligations to Pegasystems,
    including but not limited to a restriction on soliciting and hiring Pegasystems
    staff.

Should this letter accurately reflect our agreement, please acknowledge the same by
signing below. We look forward to hearing from you on or before May 29, 2013.

Sincerely,

Janet Mesroblan
Associate General Counsel

Agreed:

_____ 3/24/2013
Elaine Duguay, Vice President, Legal Services and Contracts
SDL plc

EXHIBIT G

Pegasystems Inc. 1 Rogers Street,
Cambridge, MA 02142, USA.

Pega

Janet Mesrobian
Associate General Counsel
Janet.Mesrobian@Pega.com
(617)866-6518

May 16, 2013

Grant Johnson
64 Yarmouth Road
Wellesley, MA 02481

RE: Your Standards Letter with Pegasystems

Dear Grant,

Thank you for your letter of Tuesday, April 23, 2013. While we appreciate your
response, we continue to have serious concerns that you have breached legal obligations
to Pegasystems as set forth in your November 3, 2009 Standards Letter and otherwise.
You should know that we are basing this upon reliable information currently available to
us.
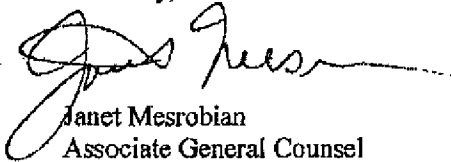
To that end, we are requesting the following:

1. Assurances that you will not solicit or hire in violation of your Standards Letter
    obligations. We are requesting specific assurances that you have not solicited or
    hired any other Pegasystems employees, or former employees, in violation of your
    Standards Letter obligations and that you will not do so for the term of your
    restrictions, which run through April 12, 2014. Moreover, your letter spoke only
    as to Jeff Clark's employment with SDL. It did not provide any details as to your
    involvement with the hire of Mr. Clark by SDL and its Marketing organization
    which you now head. It also did not provide either assurances or information
    related to other covered individuals. Therefore, we are again requesting such
    information.

2. Pegasystems Confidential Information. While you provided assurances related to
    confidentiality in your letter of April 23, Pegasystems has reason to believe that
    you have in your possession at least one external drive containing Pegasystems'
    information. Please provide information related to any such hard drives and
    information related to Pegasystems documents contained on it.

3. Assurances related to abiding by all of your Standards Letter obligations. Given
    the concerns above, we are requesting assurances that you will abide by all of the
    post-termination obligations contained in your Standards Letter.

Mr. Johnson
Page 2 of 2

We are requesting a response on or before May 23, 2013.

Sincerely,

Janet Mesrobian
Associate General Counsel

cc: Elaine Duguay
       Vice President, Legal Services and Contracts
       SDL

From: Grant Johnson [mailto:grantejohnson1@gmail.com]
Sent: Friday, May 24, 2013 6:16 PM
To: Mesrobian, Janet
Subject: your letter of May 17th

Please find my reply attached. Enjoy the holiday weekend.

Regards,

Grant

May 24, 2013

Janet Mesrobian
Associate General Counsel
Pegasystems
1 Rogers Street
Cambridge, MA 02142
Janet.Mesrobian@pega.com

RE: Standards Letter

Dear Janet,

In response to your May 16, 2013 letter to me:

I already communicated my position with regard to complying with the subject Standards Letter.

With regard to an external drive, I did routinely backup my documents on a portable drive. I have deleted this info in its entirety by reformatting the drive.

Sincerely,

Grant Johnson

SDL

TOP 10

STRATEGIES FOR MARKETING SUCCESS

The CMO's Call to Action

In today's social, mobile, big data and cloud world, significantly increasing demands have been placed on marketing. But if you're up for the challenge, there's never been a better time to be a CMO. I hope this eBook provides a few stimulating ideas to make your marketing journey more successful.

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Evolve to CMO 2.0
Six Key Elements

SHARE YOUR THOUGHTS ➡

The CMO role is rapidly transforming, in large part due to the rapid pace that social, mobile, cloud and big data mega trends are becoming pervasive and changing the very nature of business. To better understand the most significant aspects of the new CMO role and what it takes to succeed in an increasingly digital world, I recently spoke with three CMO thought leaders: David Cooperstein, VP, CMO Practice Director, Forrester Research; John Ellett, CEO of nFusion and author of The CMO Manifesto; and John Neeson, Managing Director and Co-Founder, Sirius Decisions.

It became clear during the course of several dynamic conversations that six key elements define the essence of the modern CMO, and how well they are put into practice can largely determine whether he or she will succeed in shaping company success or be relegated to the historical role of merely owning branding and communications. I share many of the same views that my counterparts and I discussed, and there are many take-aways from each interview.

Old vs. New

The old CMO was focused primarily on corporate marketing and strategic communications, without full operational responsibility or a regular seat at the table in the C-suite. The new CMO is, according to Neeson, a "more cross-functional role that touches every part of the business." CMOs now must be "constantly looking at things and evaluating from a strategy standpoint to determine what they can do better." To succeed in the new world requires not only a firm grip on navigating the complexity of the business environment, but also, according to Ellett, the ability to influence C-suite peers and "share insights across the organization that help shape both corporate strategy and operational excellence." It's a balancing act to maintain an operational focus that keeps the engine running smoothly, while regularly looking over the horizon to what's coming next, what to pay attention to and what to ignore. The new CMO is figuring out how to do enough of both to increase impact on organizational growth and success. It's not for everyone, and becoming increasingly more digital and influential in business operations and outcomes is invigorating for many of us who are renewed in this process of evolving.

Marketing Science

In the old days, marketers could assert that "half of my marketing spend works, but I just don't know which half." The rise of digital media, combined with the ability to measure the effectiveness of the increasing amount of digital marketing spend, means that marketers are now being held far more accountable for the results of marketing expenditures. But it

Evolve to CMO 2.0
Six Key Elements

goes beyond just measuring marketing ROI. Modern marketers need to become experts at understanding digital customer behaviors and in data mining so they can architect a customer strategy that maximizes the efficiency of how their company targets, acquires and grows customers and increases market share. We are in the customer-driven era and the age of customer empowerment. According to Ellett, "this dramatic shift in power to the voice of the customer" means that marketing needs to become more science, and marketing needs to lead the company to "build out the capability organization-wide to be more responsive to customer voice and experience." He continues, "Marketers have traditionally been quite strong at persuasive communications and ideation. The best ones have also excelled at understanding the customer mindset and leveraging agency partners to drive demand and increase influence. The new CMO must

now become as adept at analytics and data-based decision making as they have been at the more subjective art of branding and communications." As Cooperstein states: "today, more than ever before, CMOs are being held fully accountable for the results of marketing activities. This means we have to be more metrics oriented. A lot more is required. We're seeing that working together is much better than working apart."

Marketing Technologist

From a career path perspective, marketers traditionally have educational backgrounds rooted mostly in liberal arts, fine arts and communications, rather than science. Some have progressed or transitioned into marketing careers from a more technical underpinning, such as computer science or engineering, especially in technology markets. With the rapidly increasing role

"Modern marketers need to become experts at understanding their customers' digital behaviors"

STRATEGY

#1

Evolve to CMO 2.0
Six Key Elements

that technology plays in helping companies optimize their operations, engage with and convert customers, and build lifetime customer value, technology adroitness is now a mandate that all marketers can't ignore. According to analyst firm Gartner, by 2017, CMOs will spend more on technology than CIOs. Regardless of whether this prediction comes true, marketers have no choice but to become well-versed in technology. They need to not only understand the broad range of technologies that can help the company compete more effectively (e.g. predictive analytics, social media monitoring, marketing automation), but also how to create a cogent technology adoption roadmap.

Except for CMOs starting out at new companies, most of us have a technology infrastructure that is a collection of capabilities and not fully capable or integrated to serve current business mandates. So it's now required to closely partner with CIO peers to articulate a comprehensive roadmap to acquiring, improving and integrating marketing technologies that help the company meet its strategic objectives. As Ellett states, "technology has changed the way customers interact with information and how they choose to interact with companies," so CMOs must now drive how technology is utilized, just as they drive

marketing strategy and tactics, to ensure their company can successfully engage with the more empowered, digital, and social customers.

Achieving Alignment

Alignment used to mean that the CMO needed to inform sales on what new products or services were about to be announced, and what new marketing campaigns would be running in the quarter. We could approach alignment in a siloed fashion, seeking it where needed, such as budget approval for major expenses, and avoiding it where unnecessary, such as testing messaging to increase response rates. It's a lot different nowadays. Today, as Ellett states, alignment means, "getting the rest of the C-suite unified around a central strategy. It's about getting sales, customer service, operations, and support aligned around delivering a superior customer experience across every touch point." As CMOs, we are expected to contribute to the shape and trajectory of the business and bring ideas, energy and inspiration about how to grow more profitably and compete more effectively. It takes a lot more effort and cycles to drive company-wide alignment than functional alignment, especially when any significant change is contemplated. It also takes someone with more business savvy (i.e., typically an MBA or advanced degree is

Evolve to CMO 2.0
Six Key Elements

required) than marketing professionals may have been expected to possess in the past. It also takes a lot more gravitas today, both in and outside of the boardroom. As Cooperstein says, today's CMOs have to "earn the right to the C&O (chief and officer), and not just the 'M' part of our titles."

Business Partner

In order to fully achieve alignment, a CMO must be adept and proficient at becoming a full-fledged business partner. While the opportunity to impact business results has increased for CMOs, the expectations have also risen commensurately. As Cooperstein says, the CEO now expects the CMO "to tell them about the things that are coming down the pike and bring new ideas forward," so they can better navigate fast changing global markets and seize opportunities more rapidly, and to have "a constant pulse on the customer to gauge how they are reacting or changing, and what that means for the business." The CMO is uniquely qualified to optimize the customer experience, but to do so successfully requires substantive insight into customers to fully understand their preferences, predict their behaviors and drive measurable outcomes to marketing initiatives.

In the past, marketing could sometimes speak in a slightly different language, just as engineering might have. Today, however, as Ellett states, "the biggest thing that a CMO can do is to talk to what they do in the language of business results. They need to connect marketing language and programs to key corporate objectives and priorities." They also need to spend more time in crafting, articulating, and refining strategy to be the business partner that others in the C-suite now expect. Neeson believes that the tide has shifted and more CMOs are coming to the table with "very good business skills and a more pragmatic view," which is a lot different than when their role and scope was much narrower. He believes that the "CMO comes to this role because it's the one place where you can touch every part of the business. You can change market perception, your business, and have an incredibly positive impact on the longevity of the business and really move the needle more than in any other place."

Customer Driven

As I've alluded to earlier, being connected to the customer is more critical than ever for today's CMOs. As Cooperstein says, "the roles of marketing have been revised, and CMOs are much more customer focused than before. How customers consume messages is being considered more significantly now. It makes the role

STRATEGY

#1

Evolve to CMO 2.0
Six Key Elements

a lot more fun if you are customer driven, but not so much fun if you aren't." In mostly all, companies, the CMO does not have direct control over the entire customer experience, but he or she must somehow understand every contact the customer and company have with each other and drive, or at least influence, how to shape and orchestrate the right experience at every moment.

Marketing has traditionally led cross-functional strategies and tactics around the customer lifecycle, from contact to acquisition to cross-sell and retention. But leading an organizational shift to become truly customer driven is a much bigger undertaking, and one that requires both fortitude and stamina. But there's no going back. In the Web 2.0 world, customer experience and loyalty have become the key differentiators between leaders and laggards. While the importance of delivering great experiences

for customers is generally understood by most companies, executing well (and consistently) across all customer touch points remains a challenge and thus an opportunity for CMOs to make a major difference. In today's so-called customer-driven era, many companies are approaching this shift to a more empowered customer by driving greater integration in customer management across functions and systems. The CMO is naturally one of the primary executives that companies are asking to orchestrate a cross-functional, strategic initiative to enhance customer lifetime value and operational efficiencies across many functional areas, including sales, marketing, service and support. Without appropriate department, process, and systems linkage, however, the impact will be diminished, so taking on this critical leadership role is no small task for CMOs, but the endeavor can be very impactful on both the top and bottom line.

STRATEGY

#2

Build the Brand

Six Key Challenges

SHARE YOUR THOUGHTS ➡

Having created and shaped several successful brands during the past 20 years, including FrontBridge (acquired by Microsoft), FileNet (acquired by IBM), AST Computer (acquired by Samsung), Pegasystems and now SDL there are several keys challenges that must be addressed to successfully build and maintain a global brand: charter; structure or architecture; investment; management; alignment; and advocacy.

Brand charter is the first, and in many cases, the foremost challenge. Brand charter means having both explicit and implicit empowerment to be the chief brand steward for the company, to be the arbitrator that breaks all ties related to key branding decisions, and to be the final authority. Branding, just like advertising and other forms of marketing communication, can be very subjective - everyone has an opinion - so it's critical to establish early on that marketing has the vision, the expertise and the mandate to drive brand building and brand management decisions companywide and globally. When you have the right charter in place, it's possible to make the tough calls without a committee, to drive consistency and to foster continuous improvement; without a strong charter, the brand will never flourish.

Brand structure is about having a brand architecture firmly in place. If the company is unsure whether to adopt a master brand strategy (e.g., Lexus), a house of brands (e.g., P&G), or an endorsed approach (e.g., Microsoft), building a brand will prove very daunting. Architecture is a useful metaphor for a master brand because it requires some level of hierarchy to define the relationship between the master brand and all the sub brands and/ or product lines and services brought to the market and supported by the master brand. One key structural consideration is to not create too many levels in brand architecture. Most people have difficulty keeping more than two or three levels in their heads, so it's best to manage to a more streamlined brand structure.

When I was at FileNet, our master brand structure was somewhat in disarray, with five levels of brand architecture creating confusing and often overlapping messages to the marketplace. In addition to product brands (e.g., FileNet Content Manager), the company was branding specific features (e.g., ZeroClick), technologies (e.g., Content Federation Services), even the graphical user interface, or GUI (FileNet Workplace).

After careful examination, we streamlined our brand architecture to just two levels (FileNet + Product Brand Name), and relegated all other competing brand names to a purely descriptive level to better support and maintain a coherent brand architecture. This process resulted in better informed sales and channel personnel and, most importantly, increased customer understanding of what we offered to the marketplace.

As part of the brand assessment process undertaken to develop the Pegasystems brand, the team and the agency partner, RiechesBaird, examined competitive architectures. These architectures were, in many respects, quite similar to what I inherited when I joined FileNet, often consisting of five or more distinct levels of brand architecture.

In order to make it easier for Pega's customers to understand the offerings, we decided to simplify the brand architecture and focus on just two levels: Pega, the master brand, and the product family. So, as shown in Figure 1, the product families were organized under Pega BPM, Pega CPM, Pega Cloud, Pega Financial Services Solutions, Pega Insurance Solutions, and so on. This allows us to focus on Pega as the master brand and to communicate our solution offering in descriptive terms that have inherent meaning with their market segment, rather than try to create and manage a broad array of proprietary and not broadly understood names.
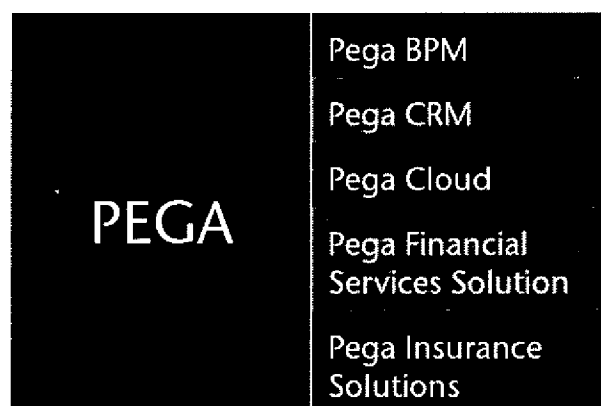
PEGA	Pega BPM
	Pega CRM
	Pega Cloud
	Pega Financial Services Solution
	Pega Insurance Solutions

Figure 1. Pega Brand Hierarchy

Brand architecture is even more critical for any company with a broad or growing range of products and/or services, so that employees, customers, partners and prospects can easily navigate through your offerings and not get confused over about how the products relate and overlap. If you haven't revisited your brand architecture in more than a year, it's likely what you're building is a façade, rather than reinforcing a foundation. Because technology and innovation are inextricably linked, tech companies are continuously introducing new products and services, and in most cases, adding brands and sub-brands into their product portfolios. Over time, even a sound architecture can begin to crumble under the strain of too many overlapping brand layers

Another final key element is brand investment, and this aspect is typically centered on the brand building and investment philosophy the company or firm has in place. Is brand building considered a strategic imperative, a competitive differentiator, or merely an outcome of marketing communications? If it's the latter,

it will be difficult to get much attention or support around initiatives that require funding. As in life, companies, like people, invest in the things that are important to them, and having a brand development line item is the only way to ensure that brand building can be a strategic, rather than a tactical consideration. At both FileNet, and then at Pegasystems, the executive team and the Board of Directors supported the need to invest in brand development on an ongoing basis.

The next key branding challenge is about having a clearly articulated brand management system and process in place to manage the brand. There are almost as many unique approaches to managing brands as there are brands; however, best practices in every industry, whether B2B or B2C, dictate that have a systematic approach to brand management can dramatically increase the speed and efficacy of brand building. Brand management is a discipline, just like accounting or architecture, so having a well-defined approach can greatly accelerate the path to successful brand management.

STRATEGY

#2

Build the Brand
Six Key Challenges

One such approach is called the framework for PowerBranding™. In the book PowerBranding™, which I co-authored with Marty Brandt, the framework (see Figure 2) articulates four key elements or layers that must be addressed to systematically and effectively manage a brand or collection of brands. The first layer is brand foundation and it consists of having a well-defined brand mission, vision, values and a sustained financial commitment. The second layer is brand strategy and it consists of articulating the differentiating positioning, personality

and experience that brand represents and having an integrated strategy across all customer touch points to ensure maximum brand impact. The third layer represents the actual brand management practices including the system, structure, process and measurement of brand status and progress against stated brand objectives. The fourth and final layer is brand implementation, including the target markets and customers, marketing mix, programs and communication tactics designed to reach and influence customers and prospects.
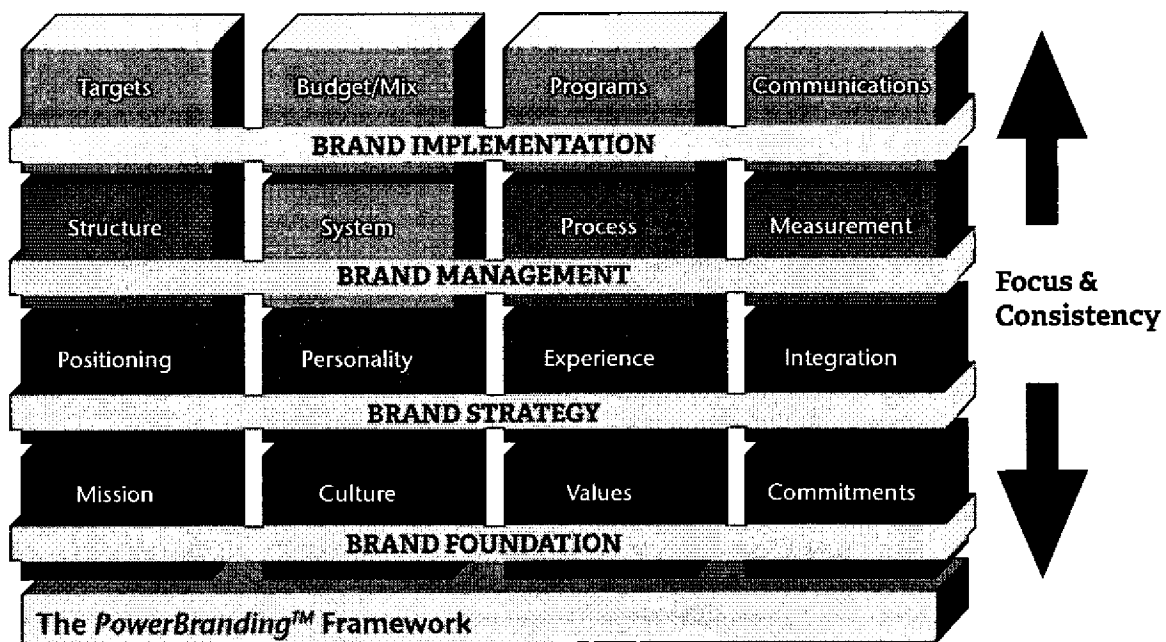

Targets	Budget/Mix	Programs	Communications

BRAND IMPLEMENTATION

Structure	System	Process	Measurement

BRAND MANAGEMENT

Positioning	Personality	Experience	Integration

BRAND STRATEGY

Mission	Culture	Values	Commitments

BRAND FOUNDATION

The *PowerBranding*™ Framework

Focus & Consistency

Figure 2. PowerBranding™ Framework

STRATEGY

2

Build the Brand
Six Key Challenges

In addition to a brand system, many companies create comprehensive brand management guidelines that define everything from brand architecture and naming conventions, to acceptable brand or visual expression, to collateral and editorial guidelines and more. Adopting and promulgating a comprehensive brand handbook or guide is an effective way to drive global consistency, especially if the brand guide clearly articulates all the do's and don'ts of proper brand usage. The more countries and languages in which a company markets their products and services, the more prone to local interpretation – or misinterpretation – brand usage can be, so having the guide translated, as appropriate, is also helpful. Ultimately, proper brand management requires some level of ongoing brand audits for compliance and a designated enforcement resource to ensure brand standards are adhered to and implemented in a proper and consistent manner.

Brand alignment means ensuring that all global regions that have some level of marketing autonomy are aligned to the need for global brand management. I first encountered mis-alignment when I was at AST Computer in the 1990's. I conducted a global brand audit and discovered that our fast growing APAC region was using a distinct color palette, tagline, and visual style. Getting remote regions to understand and buy into the need to have one corporate brand is often very challenging, especially when such regions are often run

by entrepreneurial leaders who want to do things their own way. At AST, enlisting the APAC region to help define the new brand guidelines and incorporate some of their brand creativity to allow for local expression was a successfully avenue to foster alignment. Simply dictating "this is how it should be done," without participation and buy in, would have likely resulted in tacit agreement, but de facto defiance.

Finally, **brand advocacy** is the last and perhaps most important element. The larger an organization, the harder it is for the CMO to be everywhere and touch everything related to building, let alone maintaining, a global brand. At Pega, we created a simple brand personality acronym to help every employee get involved in brand building. Our four brand attributes were Passionate, Engaging, Genuine and Adaptive, and we created a video compilation entitled, "How PEGA are you?" in which employees from the US, European and Asia Pacific regions talk about how they embody the four key personality traits. The video was available both on our intranet and on the main website under "careers" as a tool to communicate Pega's unique character to prospective employees. Finding brand advocates at corporate headquarters is rarely difficult; the bigger challenges are to find them, inspire and support them across the globe. Getting them to own their part in creating and perpetuating the company brand is critical to ensure consistent customer experience and maximize the impact of all branding.

Formulate Strategy
Shift from a Short-Term Mindset

Given all the pressure to deliver quarterly results, it's becoming increasingly difficult to get adequate executive attention on strategy formation and/or re-examination. Executive energy is largely consumed with driving operational excellence and available 'cycles' are devoted to sales and growth initiatives designed to drive near-term, measurable improvements in sales, operational efficiency and/or profitability. It makes sense given we are still "heads down" working our way out of a prolonged global recession and economic uncertainties.

Nevertheless, there's a risk that by ignoring meaningful strategy formulation today, your company will likely limit its growth potential when the economy sustains a consistent growth rate. So where does that leave marketers who understand the need to craft and refine strategies to drive long term competitive advantage? Do we just wait for this recessionary cycle to end and then raise our hands higher and declare "now is the time"? Should we focus all of our attention on activities and campaigns to drive awareness, increase customer engagement, generate leads and drive sales pipeline growth? That's not the preferred choice, so here are a few suggestions to keep strategy as a top of mind consideration at the very least, and part of the normal cadence of annual business planning at best.

"Marketing is as well suited as any other functional area to own the strategic planning process."
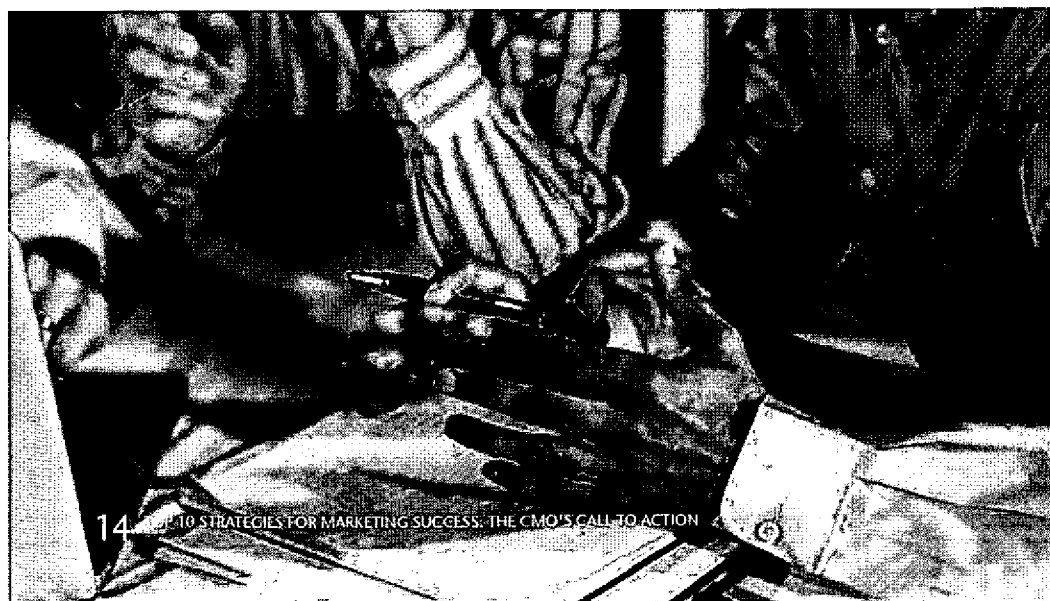
STRATEGY

#3

Formulate Strategy
Shift from a Short-Term Mindset

First, take stock of the strategic planning process at your company over the past few years and determine whether - independent of the economy – it is at or nearing the time for a regular review of business strategy. If so, and if there is no single individual or group chartered to drive strategy at your company, raise your hand. After all, marketing is as well suited as any other functional area to own the strategic planning function.

> Second, determine who has been and should be key to driving of strategy formation, refinement and execution at your company, then take an informal poll on whether these individuals who have participated in the part or other relevant stakeholders can be instrumental in creating urgency around the need to revisit and refine strategy in a disciplined manner in order to drive long-term growth and differentiation.

Lastly, if you have a strategy in place and are mapping to it in marketing, it's important to ensure that all other functional departments are aligned to the same strategy. When I was VP of Marketing at FileNet, prior to the acquisition by IBM, we had formulated a long-term growth strategy that all of the functional areas had presumably 'bought in to'. However, when we began sharing how we were operationalizing the corporate strategy in Marketing with other functional areas such as Professional Services, Finance and IT, we discovered that none of these groups were making any meaningful changes to their operations to be in better alignment with the strategy. Lesson learned: strategy that is not embedded in how companies operate is a nothing more than an elegant binder that sits on a shelf. Turning strategy into action is how market leaders win. To strategize or not is not the question. It's making sure that strategy remains a constant, in good times and bad.

One of my colleagues recently once asked me, "since when did marketing strategy become an oxymoron?" What he meant by this was that the challenging global economy is causing many marketers to start changing strategies on the fly and resort to strategy-de-jour or reactive tactics at the expense of strategy. Doing so runs the risk that any near-term gain may lead to an erosion in your company's long-term growth potential. In the drive to generate sales now, I understand the need to be flexible in adjusting the marketing mix and go-to-market tactics. What I don't understand are companies that start discounting wildly or forsake their established brand position and value proposition in chasing any sales and ultimately undermine their brand equity. A more strategic approach is to segment customers and create whole product offerings that are relevant and attractive to each defined group.

Segmentation is also critical to maximizing marketing impact. All customers and all markets are not equal in terms of attractiveness and value. Of course most know this, but it surprises me that many companies still treat unique segment opportunities as if they are equal. In all markets, whether developing or established, there are always segments that are more likely to adopt your particular product or service, and certain ones that are also willing to pay more for your solution if you can solves the most painful customer problems. Why not focus more of your dollars, programs and efforts on the higher value customers?

Another key aspect of segmentation is to balance the marketing investment between acquisition, conversion and retention (or upsell) activities. Your place in the technology lifecycle adoption curve (e.g., early market or mainstream), and how much revenue you can realize from existing customers versus new prospects should also influence how much you allocate to each segment. The questions about optimizing the marketing mix (e.g. how much for outbound vs. inbound marketing, trade shows vs. webinars, email vs. telemarketing, etc.) should always come after prioritizing customer segments according to relative attractiveness. Which segments are comprised of customers more likely to buy, remain loyal, and be open to cross sell and upsell opportunity? For new companies and/or new products, this decision can be more difficult to ascertain, but when companies have achieved a critical mass in several segments or industries, historical sales and trend analysis can lead to a more intelligent and productive allocation of marketing resources. Sticking to a sound marketing strategy, or revising one that is no longer working is worth the time it takes to get it right and it increase your odds of exiting the slow growth curve revved up versus being stuck in neutral.

Intensify Customer Focus

Engaging the Empowered Customer

In their classic book from 1983, "The Discipline of Market Leaders," authors Michael Treacy and Fred Wiersema described three basic "value disciplines" that can create customer value and provide a competitive advantage: operational excellence, product leadership, and customer intimacy. For a long time since the book's publication, many companies successfully adopted a customer intimacy strategy by "continually shaping products and services tailored to specific customer needs."

But in this Web/mobile/social-driven era of customer empowerment, a customer-focused approach alone is no longer adequate. Those who don't agree will find it increasingly harder to survive, never mind thrive. In their recent article in the Financial Times, Kyle McNabb and Suresh Vittal observe that technology-fueled disruption has undermined prior approaches to customer focus: "Old models of channel and product specific 'command and control' just don't cut it. These anachronistic approaches,

in which channel owners can't see beyond the channel-de-jour and product owners build from the inside out, don't set the organization up for success in a customer-driven world. Customer obsessed marketers (must) rethink business structures, reward methods and organizational design."

Due to this fundamental change in the balance of power which has shifted irretrievably to the customer, the authors propose that marketing should lead the company shift to becoming customer obsessed. Marketing has traditionally led cross-functional strategies and tactics around the customer lifecycle, from contact to acquisition to cross-sell and retention. But leading an organizational shift to customer obsession is a much bigger consideration than who leads the charge; it's the new business imperative defining what all functions in a company should do about it, both from a philosophical and operational perspective.

> "The most successful companies will fully embrace the philosophy and practice of customer obsession"

SHARE THIS EBOOK: in f 🐦

In his October 3, 2011 research note, "CMOs Must Lead The Customer-Obsessed Revolution," Forrester analyst Chris Stutzman writes that in "the age of the customer, empowered customers are disrupting traditional sources of competitive advantage."

In order to thrive in this new era, companies must abandon the outdated customer approach where "workgroups focus solely on their view of the customer to develop silo-based strategies" and replace with a customer-obsessed approach where "the customer's needs permeate the company's culture and operations facilitating the sharing of customer insights across the enterprise to develop cross-discipline strategy." It's clear that the most successful companies today, and in the future, will fully embrace the philosophy and practice of customer obsession. They are not satisfied by merely focusing on the customer, but relentlessly adapting their customer engagement strategies, investment priorities, business processes and policies to ensure that they create more net promoters and engender fewer detractors.

Meanwhile, those in denial of this new customer reality are falling behind faster than they can run the numbers. By the time they realize just how bad things are, their customers will have already defected in droves.

STRATEGY

#6

Enhance Customer Value
Managing the Customer Lifecycle

The ability to seamlessly manage customers across the entire lifecycle and thereby maximize customer value remains an elusive goal for most organizations. There are many reasons for this: companies have established artificial customer service boundaries and silos that require multiple departments to service a single customer; different customer specialists are required to receive then fulfill a given service request; or they simply don't have the right software technology and business processes to match customer need and service ability at the moment of interaction.

As a result, organizations are only realizing a fraction of potential customer wallet share, experiencing high rates of churn and spending far too much time and money delivering repetitive information that only frustrates the customer. From the customer's perspective, they experience doing business with disparate individuals and companies, rather than a single cohesive organization. Too often, customers hear the dreaded phrase, "I am going to have to transfer you to another department," or "I am sorry, I am not empowered to do that, you are going to have to speak to someone who is...can you call back later when they are return to work?" When customers interact with the company, too often they are starting from scratch with every interaction, unable to benefit from the context provided during prior interactions.

With **social media's** ubiquity and pervasiveness, customers are empowered to communicate their every experience, and unfortunately, negative experiences are more frequently broadcast, so it's more critical than ever to manage the customer across the lifecycle. Savvy companies are breaking down the artificial and historic boundaries between marketing, sales, service and support so that in any conversation with the customer, they can make an offer, sell new or additional services, fix an outstanding issue, or proactively address a potential future issue – without the machinations required when these functions operate across organizational silos.

Consider a typical customer who walks into a mobile phone store. They may have an expiring contract on their existing phone and have received an offer for a new phone and renewed service. When they interact with store personnel, the conversation encompasses selling (find the right device that best matches that customer's usage), setup (configure/update the account and all the critical information for that customer), and servicing (show the key features and functions of the device so they are ready use it immediately).
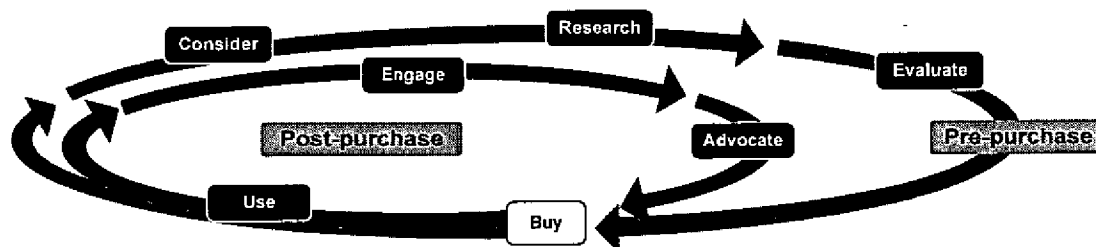
Enhance Customer Value
Managing the Customer Lifecycle

In reality, many phases of the customer lifecycle do not happen within such a compressed time frame — they occur over time and across different channels, but the impact is the same. A customer calling for service represents an opportunity to sell additional value-added products. The on-boarding or set up process is the right time to align customer needs with best-suited products and to educate customers on recommended product usage, which in turn can deflect future calls to the call center and lower the cost of servicing the customer.

By aligning organizational capability to customer need and seamlessly managing the customer across the entire lifecycle, companies can improve operational efficiency, enhance brand loyalty, increase customer retention, create net promoters and, most importantly, build customer lifetime value. To achieve this level of customer centricity requires a new model of organizational collaboration and the right level of operational agility to both serve and fulfill the customer need, and in so doing, maximize customer value in every interaction.

Customers

"Managing the customer across the entire lifecycle can enhance brand loyalty and build customer lifetime value."

Consider | Research | Evaluate
Engage
Post-purchase | Advocate | Pre-purchase
Use | Buy

STRATEGY

#7

Develop Key Metrics
Measure What Matters Most

Every CMO and senior marketer I talk to these days is striving to improve marketing ROI (MROI). Most have become proficient in measuring and reporting on marketing effectiveness. But few believe they have succeeded in proving the value of marketing to their CEO and peers, especially the CFO and head of sales. Why is this so? There are a lot of reasons, including not having a complete data set, not constructing marketing dashboards in a manner that is as easy to understand as a standard P&L report, or simply not having delivered sufficiently compelling data to support MROI assertions. From my experience, however, the primary gap results from not being aligned with the CEO and Marketing's peers on what metrics really matter.

To illustrate this point, there's an entire category of metrics that don't matter much to anyone besides marketing: activity levels. In other works, the quantity and frequency of marketing activities, such as the issuance of press releases, emails sent, campaigns designed and executed, collateral created and delivered, Web site visitors, Facebook fans and Twitter retweets. While all of us set objectives for increased activity levels in nearly every facet of marketing, the intrinsic value of activities is virtually zero in the eyes of the CEO and C-level peers. It's not the amount of activities that matters, it's the results.

There are many ways to objectively demonstrate relative contribution by marketing, such as percentage of leads and pipeline generated, and for some organizations, pipeline acceleration – i.e. shortening the sales cycle, if truly measurable – as a result of nurturing campaigns and other marketing tactics. If you can attain agreement on the acceptable numbers and percentages for these and related measures, you are well on the way to showing the value marketing contributes.

"It's not the amount of activities that matters, it's the results achieved by the activities."
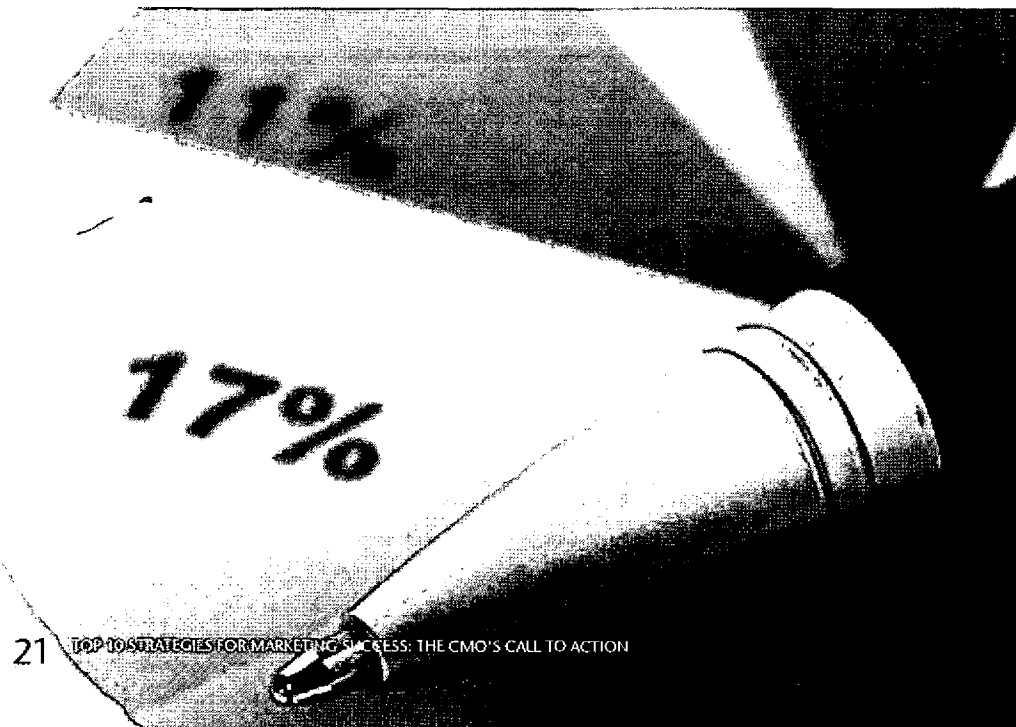
STRATEGY

#7

Develop Key Metrics
Measure What Matters Most

Sirius Decisions has developed best-practice guidelines around some of the more meaningful metrics. To aid marketers in creating useful dashboards, they organize measurements around three elements: metrics, KPIs, and financial. For metrics, Sirius suggests tracking inbound inquires (the best of which is the "contact me" request) and influencer advocacy (i.e. supporting and recommending your company). For KPIs, they suggest tracking customer satisfaction and demand or sales waterfall conversion rates.

So if you're still struggling with what to measure, how to measure it, and how to report marketing returns to a range of stakeholders, the most important part of this journey is getting agreement from the CEO and your peers on what metrics matter to them and what returns are expected. Once you have achieved this, you can work on presenting the information in a readily digestible format that conveys facts and figures in a compelling fashion. The first rule of effectiveness in communications applies equally well here: it's not what's said, it's what understood. When you achieve their understanding, you are well on your way to proving not just the effectiveness of marketing, but also its worth.

STRATEGY

#8

Improve Marketing ROI
Getting a Better Return

As we continue to experience the uncertain and fragile economy, one thing is certain: most marketers are wasting money. In the Web 2.0 world, and given the measurability of all things digital, at least it's not as bad as the old lament: "I know half of my money is wasted; I just don't know which half." Nevertheless, many heads of marketing, especially at companies with broad product portfolios, are suffering from being far too egalitarian in how they allocate budgets by treating all budget centers and customer or prospect opportunities more or less equally.

But all customers are not created equal. Your best customers buy more of your products, are more loyal, less price sensitive and willing to recommend you more often to others. So why are we not dramatically tipping the balance to the "20" in the "80/20" rule that can not only generate more revenue per invested dollar, but also more profit?

The main reason is the curse of entitlements and how established businesses generally approach the budgeting process by assuming that the prior year's budget is the baseline – wherein each department or budget manager is entitled to some increase over the previous year. This old-fashioned type of thinking typically leads to

incremental vs. extraordinary improvement, and reinforces a "business as usual" vs. a "break from the pack" mentality, not only in terms of how budgets are allocated, but also regarding what market share gains are actually possible. Geoffrey Moore addresses this level of stasis in his new book, "Escape Velocity: Free Your Company's Future from the Pull of the Past". He says: "When organizations begin their strategic planning

effort by circulating last year's operating plan, they reinforce the inertial properties of the resources as currently allocated." To break away from the pack, Moore argues, companies need to be laser-focused on what they invest in and concentrate the maximum resources on strategies and investments that can create separation from the competition.

Improve Marketing ROI
Getting a Better Return

If one accepts the notion that all investments will not have the same impact and return, it's not a big leap to realize that all customers and prospects should not receive equal shares of a budget. The target segments and existing customers that have the highest revenue and profit potential should receive a disproportionately larger share of the marketing budget. One of the more important contributions to this type of non-traditional thinking is V. Kumar's book, "Managing Customers for Profit". The quote from David Aaker on the back cover sums up Kumar's approach best: "This book shows how a focus on Customer Lifetime Value (CLV) can change management toward long-term results by providing a fresh perspective on customer targeting, retention, and loyalty...it shows you the way toward strategic customer thinking."

So, what's this mean to you? If you haven't already established your annual marketing budget and parsed out the allocations in a traditional fashion, where everyone gets their fair share approach, then consider a more radical or zero-based budgeting approach that can foster greater marketing efficiency and increased revenues and profitability. If you are already locked in to the old way of doing things, who says it's too late to shake things up a little? Marketers need to be agents of change, and there's no better time to drive change than now.

"Customer segments with the highest revenue potential should receive a disproportionately larger share of the budget."

STRATEGIES FOR MARKETING SUCCESS: THE CMO'S CALL TO ACTION

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Build a High Performance Team

A Pragmatic Approach to Developing Talent

When joining a new company, it's critical to quickly assess the team you've inherited to determine what level of organization restructuring and rebuilding will be required to ensure functional success. Before rushing to judgment and a rapid makeover, take time to understand – on a personal level – the structure, composition, talent, strengths and weakness of the team. Besides the obvious gaps in competencies, under-performers and open positions, often there are more subtle clues to the most pressing organizational shortcomings as well as staff member potential.

Misplaced. In every situation I've encountered, there is always at least one person who is not in a well-suited role. They often got there because they filled a vacuum left open for one reason or another, not because they had the requisite skills, desire or experience to succeed in the role. When asked to define success in the position, the misplaced person often says "getting stuff done," versus doing the right things, doing them in the right order and in the right way.

Misdiagnosed. Over time, as organizations grow and evolve, it's quite possible the talent gets buried. It's not necessarily by design; however, since people are often viewed primarily through the lens upon which they were first hired or moved into an organization, it's more difficult to determine that a rising star is obscured by someone whom they report to or some other circumstance. That's why I embrace skip-level meetings with inherited staff to find out whether top talent is just waiting to be tapped for a truly challenging assignment.

Build a High Performance Team

A Pragmatic Approach
to Developing Talent

Key Marketing Behaviors. There are five or so key behaviors that all team members should be demonstrating in order to facilitate a high performing team and ensure ongoing improvement to operational efficiency and staff output:

1. **Communication:** clearly conveying information and ideas in a manner that engages the audience or team member and helps them understand the message. Demonstrated by how well one organizes the communication, maintains audience attention, listens to and adjusts to the audience and ensures understanding.

2. **Innovation/Initiative:** generating innovative solutions in work situations; trying different and novel ways to deal with work problems and opportunities. Demonstrated by doing more, finding new and better ways to accomplish ongoing tasks and continuously improve output and measurable results.

3. **Customer focus:** making customers and their needs a primary focus of one's efforts and actions is critical to successful marketing organizations (and companies for that matter). Thinking and obsessing about, contacting and connecting with, and "blueprinting" the value you deliver, the problems you solve, the difference you make is essential to efficiently capturing, nurturing, and growing your customer base.

4. **Teamwork:** genuinely helping others, developing collaborative relationships, and proactively problem-solving to accomplish work goals. I've found that in this area, intervention is often required to foster and maintain teamwork even when everyone says they work well with others.

5. **Leadership:** influencing people, events and actions by properly perceiving and acting upon situations and variables. The last one is, in many organizations, the key behavior. The phrase "lead, follow or get out the way" should apply to all team members, not just the few at the top. I argue that there are not enough leaders and risk takers at middle levels, so encourage others to take initiative and lead something, even a short team initiative, and sit in the passenger seat for a change and see how they drive. You may be surprised enough to let them go much farther in the future. Happy winning team building!

"Before rushing to judgment, take time to understand – on a personal level – the strengths and weakness of your team."

The CMO Council issued a press release awhile back titled the 'DNA of a CMO', stating: "among the most essential qualities, a CMO must be: a visionary & thought leader; a strong business driver; able to secure executive support & foster cross functional relationships; customer centric; competitive strategy guru; and a brand advocate & champion."

These attributes make sense, but the ability to "secure executive support" doesn't quite capture the hardest, and most essential, quality and success factor I've seen for CMOs (at least in technology companies where I've spent the past two decades). That quality is the ability to lead successful change initiatives, especially on a global basis. I've seen others fail when, upon achieving executive support for a change initiative, the CMO thought that hard work was done.

Having led global brand building change initiatives at AST Computer in the 1990's and FileNet earlier this decade, I'm certain neither brand development initiative would have been nearly as successful had my team and I not secured cross-functional, cross-divisional and cross-regional (i.e. EMEA and APAC) buy in and participation. The easy way could have been to dictate the key change, given both companies were led by strong-minded CEO's, but simply stating strategic intent is not the same as implementation and ensuring consistency of execution.

Russell Reynolds published a white paper a couple of years ago on 'The Successful CMO' which listed personal competencies that a CMO must possess to succeed: "leadership skills; strategic perspective; adaptability; flexibility and backbone." I found these last two attributes, flexibility and backbone, crucial to driving successful change. Having the courage of one's convictions is key, along with fact-based evidence (e.g. customer input) as supporting rationale. However, as I've learned, flexibility is just as important. Trying to drive change down a straight track ("do it because I'm in charge") can be the fastest way to derailment of key change initiatives. Flexibility to accommodate different organizational, personal, regional and cultural perspectives is key to successful and lasting change.

John Ellett, co-founder and CEO of nFusion Group, shares this view on the importance of driving change as a key trend, especially during the annual marketing planning cycle: "Change is imperative: whether it is competitive position or media mix, the status quo is rarely the way to go. Successful CMOs will be the change agents for their companies. So trend #1 will be an increase in structured change initiatives led by marketers."

Grant Johnson
Chief Marketing Officer, SDL

Grant is Chief Marketing Officer of SDL. SDL's technology and services help brands to predict what their customers want and engage with them across multiple languages, cultures, channels and devices.

Grant is a High Tech marketing executive with a proven track record of building profitable businesses on a global basis, from early stage ventures to established billion dollar enterprises. He has in-depth expertise in all areas of marketing, including branding, demand generation, upsell/cross-sell, digital marketing, field marketing, product marketing, strategic communications, sales acceleration and the Web.

Prior to SDL, Grant was CMO of Pegasystems, where he served as CMO for 3.5 years. Pegasystems is a market leader in Business Process Management (BPM) and a leading provider of Customer Service and Marketing Automation software.

Prior to Pegasystems, Grant was Vice President of Marketing and served as an officer for FileNet. Before that, he was Vice President of Marketing for FrontBridge, a SaaS-based email management vendor acquired by Microsoft. He also served as Director of Marketing for Symantec, with worldwide responsibility for the Norton brand.

Grant received his bachelor of arts from the University of California, Santa Barbara and his master's in business administration from Pepperdine University. He has published several articles on best practices in high-tech marketing and co-authored the book, PowerBranding™.

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The CMO's Call to Action

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